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Pan Am Is Guilty Of Security Failure In Lockerbie Crash

U.S. Jury Rules in Suit Filed By Relatives of Bomb Victims

NEW YORK — A U.S. jury on Friday found Pan American World Airways guilty of "willful misconduct" for lax security before the 1988 bombing of an airliner that crashed in Lockerbie, Scotland, killing 270.

German Takeover Plan Takes Flak at Fokker

By Barbara Smit Special to the Herald Tribune AMSTERDAM — A confidential agreement leaked to the Dutch press revealed Friday that the aeronautics arm of Germany's Daimler-Benz AG would win full control of Fokker NV, the Dutch aircraft maker.



President George Bush, center, at the 52-nation conference on European security in Helsinki with, clockwise from bottom left, Rahman Nabiyev of Tajikistan, Alija Izetbegovic of Bosnia, Sapururad A. Niyazov of Turkmenistan, Suleyman Demirel of Turkey and Francois Mitterrand of France.

U.S. to Join Europeans in Patrols Off Yugoslavia

Bush Again Rules Out Support for Military Action Inside Balkans

HELMSINKI — U.S. and European warships will begin patrolling the Yugoslav coast within the next few days as part of a new naval and air operation designed to enforce United Nations sanctions against Serbia.

For Clinton, a Break With Tradition to Symbolize an Era of Change

By Dan Balz Washington Post Service WASHINGTON — Bill Clinton cast aside many of the old political assumptions in choosing Senator Al Gore of Tennessee as his vice presidential running mate and sent a signal to the Republicans and Ross Perot that the Democrats were prepared to contest this election in all regions of the country.

NEWS ANALYSIS Clinton-Gore ticket. Asked about that at a press conference in Little Rock, Arkansas, Mr. Clinton said of Mr. Jackson, "He'll just have to make his mind up on that just like every other American."

Clinton were both at 30 percent. The poll has a margin of error of plus or minus 3 percentage points. On the eve of the convention that will formally ratify his nomination, Mr. Clinton finds himself in a deadlocked contest, according to a new Washington Post-ABC News Poll.

A U.K. Row Over Diaries Paper Assailed on Publishing Goebbels

By Glenn Frankel Washington Post Service LONDON — The Sunday Times, the newspaper that published the bogus "Hitler Diaries" nine years ago, is to publish on Sunday yet another Nazi offering: the diaries of Hitler's propaganda overlord, Joseph Goebbels.

Murky Death of PLO Aide Who Helped the West

By Jonathan C. Randal Washington Post Service PARIS — Rarely in the Middle East's enduring war of the shadows has an assassination left so many unanswered questions as the slaying here a month ago of Atef Bseiso, the head of intelligence operations for the Palestine Liberation Organization.

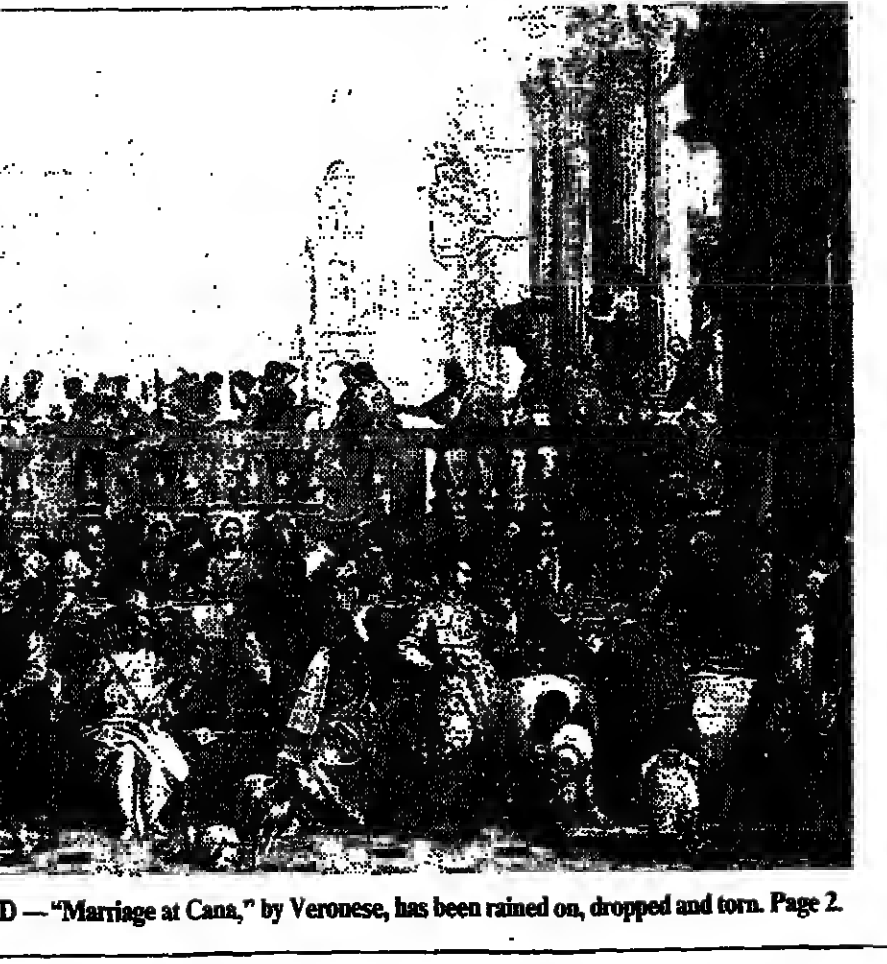
was killed in 1979 and Salah Khalef, known as Abu Iyad, in 1991. On his visit to France, Mr. Bseiso planned, among other things, to meet with the internal arm of the French intelligence service, known as the DST, sources said.

2 Papers' Claims to Exclusive Disputed

By Barry James International Herald Tribune Ever the propagandist, Joseph Goebbels ended up Friday in the midst of a circulation war between two British newspapers, each claiming a world exclusive on the publication of his diaries.

Alaska Court Reverses Exxon Spill Conviction

ANCHORAGE, Alaska (AP) — The Alaska Court of Appeals on Friday threw out a misdemeanor conviction against the captain of the tanker Exxon Valdez, source of the nation's worst oil spill.



LOUVRE MASTERPIECE DAMAGED — "Marriage at Cana," by Veronese, has been rained on, dropped and torn. Page 2.

Kiosk

Market news section including Dow Jones closing at 3,330.56, a \$1.76 billion loss for Exxon, and other financial reports.



# Lowre Renaissance Masterpiece, Already Rained on, Is Torn

By Marise Simons  
New York Times Service

PARIS—One of the celebrated paintings of the Italian Renaissance, "Marriage at Cana" by Veronese, has been badly damaged while undergoing restoration at the Louvre.

According to museum officials, workers were trying to raise the huge painting when it fell. They said that metal tubing of the support system ripped through it, gashing the canvas in five places. Officials said that the three largest tears are 90 to 120 centimeters long (three to four feet).

The Louvre tried to avoid publicity, but word of the accident leaked out through the Parisian art world. Irritated Louvre curators subsequently brushed aside questions with vague descrip-

tions, and refused to allow outsiders to view the work.

Now, anxious to reassure museum officials say that repair of the sumptuous banquet scene, painted in Venice in 1563, is under way and should remove most traces of damage. The Louvre has nonetheless postponed its major Veronese exhibit, planned for September, until mid-November.

The accident, which occurred June 3, is all the more embarrassing for what is recognized as one of the world's finest museums, because only two days earlier "Marriage at Cana" had been splattered by water from a leaking air vent during a rainstorm. Officials said the water affected only a small portion of the canvas and did not cause major harm.

The Salle des Etats has been boarded up, hiding the torn painting from public

view. The Mona Lisa, which hung near "Marriage at Cana" was moved in April to another gallery.

Veronese's monumental work — it measures 6.77 meters by 9.94 meters — is among the largest paintings at the Louvre and is considered one of its greatest Renaissance treasures. The grand biblical feast, with its rich textures, more than 120 figures and voluminous columns, is regarded as a masterpiece of the Venetian school.

The accident adds a new chapter to the painting's already stormy history, which began when Napoleon ordered it brought to France as war booty. When his envoys plucked it from the wall in the Abbey of San Giorgio Maggiore in Venice, they cut it in halves for the journey to Paris. Patched up again, it spent months stashed in a box in the port of Brest

during a late 19th century war. The canvas was once more rolled up and hidden during World War II, when it trucked around France to avoid Nazi pilfering.

Three years ago, the Louvre decided to clean it with a \$1 million grant from the French subsidiary of Britain's Imperial Chemical Industries. The decision to strip the work of its thick layers of dirt and yellow varnish has been followed by a constant controversy that echoes the fight over the cleaning of Michelangelo's murals in the Vatican.

Louvre curators contend that "Marriage at Cana" had become too somber and dirty, the splendor of its colors hidden. But a group of leading painters have questioned the restoration and criticized the Louvre for joining what they call the "modern cleaning frenzy."

Grouped in a newly formed Associa-

tion to Protect the Integrity of Artistic Heritage, the painters have demanded a moratorium on all restoration and insist that they should be consulted.

"This accident is one more reason why it should not have been restored," said Jean Bozzano, a prominent painter who heads the association. Since the accident, Mr. Bozzano has asked to see the painting but has been refused access. "It's a scandal that they cannot secure such a work, and it's absurd that we cannot see it," he said. "This painting belongs to the community."

As museum officials explain it, the painstaking three-year-long restoration was nearly finished last month when workers built two metal towers to raise the painting. The idea was to place it at the same height it was hung in its first home, in the refectory of the abbey in Venice.

# A Duel Over Race Goes Public

## For De Klerk and Mandela, News-Conference Ripostes

By Bill Keller  
New York Times Service

JOHANNESBURG — Cyril Ramaphosa, former leader of South Africa's black miners, likes to recall the time he showed up for a crucial round of contract talks accompanied by a small platoon of miners and insisted that they be seated as part of his delegation.

Mr. Ramaphosa's breach of protocol infuriated the white mine owners, he says, but it worked. Somehow the glower of 50 burly miners tended to keep the negotiators' focus on the central issues. And afterward he had 50 extra witnesses to help assure his rank and file that he had extracted the best deal possible.

Secretary-general of the African National Congress and a chief strategist in its campaign for majority rule, Mr. Ramaphosa now appears to be applying a similar strategy to the white government of President Frederik W. de Klerk.

Although the congress has formally broken off negotiations on the end of white rule, in reality the talks have moved from the seclusion of the conference room to the public arena of dining news conferences and voluminous public "memorandums," Nelson Mandela, the congress president, summoned reporters Thursday to receive his 24-page rebuttal to Mr. de Klerk's 31-page reply to Mr. Mandela's 14 demands for the resumption of talks.

Despite a hail of invective from both sides, the congress has forced the government to give ground, clarifying and narrowing differences on the transition to majority rule. The government has scaled back its insistence on a veto for the white minority in the writing of a new constitution, dropped its demand for a powerful "senate" in which minority parties would hold

disproportionate power, and accepted a sunset clause on the transition to democracy.

The two sides are still divided by an elementary disagreement on the nature of democracy, and by a chasm of mistrust. The government insists on a "transition" constitution that would entrench the powers of regional authorities against the new black majority. The con-

### NEWS ANALYSIS

gress regards this as a formula to immunize minority enclaves against majority rule.

The standoff could yet explode into insurrection and repression. But on the whole, news-conference diplomacy seems to have brought the adversaries closer to an agreement than they were when talks deadlocked in May.

The congress's strategy has produced other gains, too. It has won Mr. de Klerk's grudging approval for outside observers, including the United Nations, to play some kind of confidence-building role. It has increased public pressure on Mr. de Klerk to curb township violence.

The threat of confrontation has galvanized business groups, churches, politicians and editorial writers in a furious effort to recreate the lost climate of trust. It has also helped the congress shore up its own constituency by quelling the township whippers that Mandela & Co. was losing touch with the grass roots.

David Welsh, a political scientist and negotiations adviser to the liberal Democratic Party, said the deadlock, along with revision of the killings in the black township of Boipatong last month, has also diminished Mr. de Klerk's international stature as South Africa's predominant peacemaker.

"De Klerk can no longer swan around the globe as the much-heralded hero of the transition," Mr. Welsh said.

Neither Mr. Mandela's congress nor Mr. de Klerk's government has much future without negotiations.

Until he has enfranchised the black majority, Mr. de Klerk stands no chance of winning domestic peace or foreign investment. He can hold power indefinitely, but over a country with an anemic economy and with epidemic violence that will not forever be contained within the black townships.

Mr. Mandela also needs the negotiations. No one on his side expects the heavily armed white government to fall to a clamor in the streets. So far, both sides have conducted their brinkmanship at a respectable distance from the brink.

Mr. de Klerk derides his adversary as a "captive" of "insurrectionists" in the Communist Party and the black unions, and hints at harsh measures to prevent chaos in the country. But he has taken no such measures, and has scattered concessions among his rebukes.

Mr. Mandela, in turn, paints Mr. de Klerk as duplicitous and intransigent, boycotts the bargaining table, and declares a stepped-up campaign of protests, strikes and civil disobedience. But he backed off a threatened sports boycott that would have endangered South Africa's eagerly awaited re-entry into the Olympics. He has refused to endorse a rent strike. Despite some radical counsel, he has kept his demands flexible.

The gravest threat Mr. Mandela has endorsed is a general strike by the Congress of South African Trade Unions, which vows to render the country "ungovernable." The starting date is Aug. 3, which may leave time for the two sides to cool off and resume talking.



Nelson Mandela telling reporters that the ANC has rejected President de Klerk's call for talks.

# Irish Women Get a Clarion Call From Liberation Leaders

By James F. Clarity  
Special to the Herald Tribune

DUBLIN — Fresh from one more invigorating defeat — this time at the Earth Summit in Rio de Janeiro — Bella Abzug arrived in Dublin as articulate and pugnacious as ever, determined to encourage the women of the world,

and especially of Ireland, who are among the least liberated in Europe.

Ms. Abzug and another giant of the American liberation movement, Betty Friedan, were joining several dozen other women leaders at a conference called the Global Forum of Women, at which the

leaders are sharing their tactics and strategies for gaining and using power.

They picked Ireland largely because of the growing prominence of Mary Robinson, who became the country's first woman president 19 months ago. Mrs. Robinson, who is now constitutionally forbidden to

mix in politics, had achieved a solid record on feminist and human rights issues as a member of the senate and a lawyer.

Her country is in the midst of a national debate on abortion law, which is more restrictive here than that in most Western countries. The parliament just lowered the legal age for buying condoms to 17, but sales in vending machines are still forbidden, and there is no divorce. The birth rate is declining but is still the highest in the 12-member European Community.

Only 30 percent of married Irish women have jobs outside the home, the lowest rate in the Community. "Something drastic has to take place," Ms. Abzug said of the condition of women in the world. She said that at the Rio summit meeting, women and their ideas on environment were largely ignored by male officials and news organizations.

Generally, she acknowledged in an interview, she was disappointed that after 25 years of campaigning in her own country, women held only 6 percent of the seats in Congress, 2 in the Senate and 28 in the House. Even the Irish parliament, with 13 women deputies out of 166, has a higher ratio.

Ms. Friedan told the opening session of the conference on Wednesday, "It's not a matter of women against men, but women are on the cutting edge" of issues

such as the environment and abortion and sexual harassment. Irish women in the audience spoke out, often in anger and pain.

One woman described how women with cancer were dying in agony because doctors refused them painkillers, or chemical treatments of their tumors, in deference to protecting their fetuses. Another told how, in campaigning against the nation's strict anti-abortion law, she had been called "a lesbian murdering bitch."

"We have to penetrate the World Bank," said a woman who said she had worked in Africa and seen an aid project that installed toilets where there was no water. A middle-aged woman said that she had been married to a wealthy man, but that when she left him, taking with her six children, she was left poor under national laws of property.

"I'm cleaning for middle-class ladies now," she said. Another woman said the image of women as leaders had been hurt by former Prime Minister Margaret Thatcher of Britain. "Thatcher was to the poor what Hitler was to the Jews, Catholics and Gypsies," she said.

There was brief discord: a woman said that the conference was in a fancy hotel, "Jury's" where Irish working-class women never go, and that many could not afford to pay for the lectures. The organizers said they had provided 100 free places

# WORLD BRIEFS

## Thai AIDS Strain Is Found in Japan

TOKYO (Reuters) — Researchers have found the first case of a Japanese national infected with a strain of the AIDS virus that has spread through Thailand, an official said Friday. The National Institute of Health said the virus was found in the blood of a Tokyo resident. An official of the institute's AIDS research center of a Tokyo resident. An official of the institute's AIDS research center of a Tokyo resident. An official of the institute's AIDS research center of a Tokyo resident.

## Russia POW Inquiry Awaits Data

MOSCOW (AP) — There is no new evidence that American prisoners from the Vietnam War were turned over to the former Soviet Union, a Russian investigator said, indicating that some information might have been withheld. General Dmitri Volkogonov, co-chairman of a U.S.-Russian commission looking into the matter, said that investigators had not been able to review all the available archives.

## Iraq Urges UN to Curb Inspection

BAHGDAD (Reuters) — Iraq, locked in a standoff with United Nations weapons inspectors keeping a vigil outside a ministry building, said Friday that the activities of such teams should be curbed. "We want to tell them that there is a limit to what they want to do here," an Iraqi official said. "It is time the Security Council realized that it should restrain the inspectors' activities in Iraq."

## Bush Renounces 'Sleaze Business'

HELSINKI (AP) — President George Bush said Friday he had ordered his aides to stay out of the "sleaze business" of the presidential election campaign. Mr. Bush also said campaign lawyers had asked one of his political supporters to shut down a phone service on which callers can hear alleged "intimate conversations" between the Democratic nominee, Governor Bill Clinton of Arkansas, and Jennifer Flowers, who claimed to have had an affair with him.

## Cuba Approves Freedom of Worship

MEXICO CITY (UPI) — Cuba's National Assembly approved constitutional changes allowing freedom of worship for the first time since the 1959 revolution, Cuba's official news agency Prensa Latina said Friday. The 463 assembly members approved an amendment in which "the state recognizes, respects and guarantees the freedom of religion," the news agency said in a dispatch monitored in Mexico City.

## For the Record

Erich Hoecker, the former East German leader, will soon end his refuge in the Chilean Embassy in Moscow, Chile's foreign minister said on Friday. Enrique Silva Cimma said he expected the case to be resolved when President Patricio Aylwin returned to Chile on July 27. (Reuters)

## TRAVEL UPDATE

### EC Warns Banks on Customer Fees

BRUSSELS (Reuters) — The EC Commission, flooded with consumer complaints, told banks and money changers Friday that it would clamp down with European Community laws if they failed to make life simpler for customers and tourists. The warning followed the release of a study by the European Consumers Organization that said persistent calls on banks to publicize the often hefty fees for checks and cash cards or changing currencies had been ignored.

A "ban charter" proposed by the EC Commission in March to get banks to give clearer information on prices and commissions "was a clear step backward," the consumer group said. The Commission said it would consider legislative measures if banks failed to change the situation by the end of the year.

Vaccinations against pneumonia for some travelers to Spain — where the Olympics begin July 26 — are urged because some strains of the disease found there are resistant to antibiotics. The U.S. Centers for Disease Control said people at risk for developing pneumonia — those with heart disease, lung disease, diabetes, chronic kidney failure or who have had their spleen removed — should get vaccinated. (Reuters)

Bordeaux stock workers striking over new labor laws blocked access to the French port for the second day Friday. (Reuters)

### The Weather

North America		Europe		Asia	
City	Temp	City	Temp	City	Temp
Atlanta	77	London	63	Tokyo	82
Boston	75	Paris	61	Seoul	80
Chicago	73	Rome	60	Beijing	78
Denver	71	Moscow	58	Manila	76
Houston	70	Delhi	56	Bangkok	74
New York	69	Calcutta	54	Colombo	72
San Francisco	68	London	52	Singapore	70
Seattle	67	Madrid	50	Yokohama	68
Washington	66	Barcelona	48	Osaka	66

### Stocks

Market	Index	Change
Dow Jones	2850	+15
Nikkei	15000	+100
Hong Kong	12000	+50
London	3000	+20
Paris	2500	+10
Frankfurt	2200	+15
Amsterdam	2000	+10
Stockholm	1800	+5
Copenhagen	1600	+8
Oslo	1400	+3
Warsaw	1200	+10
Bombay	1000	+20
Calcutta	900	+15
Delhi	800	+10
Manila	700	+5
Bangkok	600	+3
Colombo	500	+2
Singapore	400	+1
Yokohama	300	+1
Osaka	200	+1
London	100	+1

# Election of Woman Prime Minister Ends a 5-Week Impasse in Poland

The Associated Press  
WARSAW — The legislature voted Friday to approve Hanna Suchocka as Poland's prime minister, ending a five-week government crisis.

On a vote of 233 to 61 with 113 abstentions, the Sejm, or lower chamber, approved Mrs. Suchocka as the fifth prime minister since the Communists lost power in 1989, and the first woman.

Mrs. Suchocka, 46, is a member of the Democratic Union party, the largest caucus in a highly fragmented legislature. She leads a coalition of seven parties, all of which are descendants of the Solidarity movement.

In a letter to the Sejm, President Lech Walesa said he hoped that Mrs. Suchocka would be able to form "an effective and stable government, enjoying the firm support of a parliamentary majority."

Earlier Friday, the chamber voted, 286 to 11 with 107 abstentions, to accept the resignation of Prime Minister Waldemar Pawlak.

The chamber applauded when the Sejm speaker announced the result and, shortly after the vote, leaders of the major parties congratulated Mrs. Suchocka.

A constitutional lawyer, she has won the respect of her colleagues for keeping her distance from political conflicts, which allowed her to gain the support of a broad range of parties.

She won Mr. Walesa's approval Wednesday and has pledged to form a "government of national agreement," keeping her coalition open to other democratic groups.

A former prime minister, Tadeusz Mazowiecki, the Democratic Union leader, said Mrs. Suchocka had emerged as "a noncontroversial and unquestioned candidate" of the coalition, which ranges from pro-market liberals to rightist Christian groups. He praised her

"frankness in contacts with people."

Besides winning support of the seven coalition parties, which can muster 220 votes in the 460-seat parliament, Mrs. Suchocka also won the approval of various splinter groups, promising her cabinet a working majority.

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# Culture for the Presidential Candidate? It's Prescribed, but Not in Lethal Doses

By Michael Kelly  
New York Times Service

**NEW YORK**—Pity the presidential candidate of 1992. It is not enough that he rises at dawn to shake hands at a factory gate; that he has a position on every possible issue; that he is at all times and in all ways presentable; that he has a proper reverence for the past yet looks to the future; that he is conservative but not reactionary, liberal but not leftist; that he is acceptable both to the broad majority that elects the president and to all the determined minorities who control pieces of his party.

He must also have Culture.

He must have tastes in literature, classical music, popular song, movies, television, art and theater. He must be able to articulate and defend those choices.

This is largely John F. Kennedy's fault. Before him, presidents and potential candidates could be without demonstrable Culture. Theodore Roosevelt's chief cultural interest was the shooting of animals called unwares.

Dwight D. Eisenhower made golf a culture. Harry S. Truman won the affection of a grateful nation when he threatened to punch a music critic who had panned his daughter's singing.

But Mr. Kennedy, in building the first and greatest modern media presidency, opened the door to Pablo Casals, and that was that. The next president, Lyndon B. Johnson, was Without Culture, and he did not fare well by comparison. Every president since then has been obliged to put on some sort of airs, and the race for the presidency has come to include a cultural IQ test.

The problem, from the candidate's point of view, is that Culture is tricky territory. While lowbrow is unacceptable, highbrow is at least as bad. The political-cultural ideal is to have something for everyone, without offending anyone.

They must like movies, but not be students of the cinema; they must show an appreciation of classical music, but very restrained, and none at all for that arduous stuff. They must enjoy going to a nice play now and then but had better not be devotees of the theater.

They read books but do not discuss literature. They should know enough about art to know what they like, but

not much more. They should not look baffled at the mention of Aristophanes, but neither should their eyes light up at a mention of Sartre.

Books are the greatest problem. Leaders don't read books. But then Americans don't read books either.

On the other hand, a presidential candidate cannot declare himself not to have read a book in years. The middle path lies in reading very little, but of the right sort.

George Bush is good at this. His stated tastes run to the sort of book any fellow might be forgiven for reading—Tom Clancy's "Red Storm Rising"—and to good, solid biographies.

**Culture and Democrats**

Bill Clinton's case is far more difficult. The Democrats have always had a special problem with Culture, and books are at the crux of that problem.

The fact is that there are intellectuals in America, and a disproportionate number got themselves into the inner workings of the Democratic Party some time back and have flourished there. For them, a candidate must not only talk the egghead talk; he must read books and make no bones about it.

Mr. Clinton, awaiting nomination as the Democratic candidate, has shown a much firmer grasp of the politics of literary taste. He admits to reading a lot, but his choice of books is inspired.

"He usually has three going," said his press secretary, Dee Dee Myers. "One, a policy book like Tom Edsall's book on race, 'Chain Reaction,' or E.J. Dionne Jr.'s book, 'Why Americans Hate Politics.' (Those are homework; it's his duty to read them.)"

"He's usually reading a biography, Abraham Lincoln, Winston Churchill," she said. (Biographies are always safe, and biographies of great democratic leaders safer still.)

"One book is always a spy thriller, whatever's on the best-seller list," she added. "He's read all the Clancy books." (Clancy again; the red badge of regular Joe-hood.)

Shifting ground, Ms. Myers said that Mr. Clinton had recently had a conversation about the writings of Marcus

Aurelius and St. Thomas Aquinas. Indeed, she said, he rereads "The Meditations of Marcus Aurelius" every few years.

A more dangerous admission is his claim that his favorite novel is Gabriel Garcia Marquez's extravaganza of magic realism, "One Hundred Years of Solitude," a book that is not only highbrow but, for most readers, furrowed brow.

The maverick contender Ross Perot admits to even more unusual tastes in books. He is, above all, taken with books about himself: "On the Wings of Eagles," Ken Follet's authorized account of Mr. Perot's 1979 mission to rescue two employees from an Iranian prison; "Ross Perot in His Own Words," and "Irreconcilable Differences: Ross Perot vs. General Motors," by Doran P. Levin.

Mr. Perot's office also contains an eclectic trio of books that he says have taught him much about life: "The Lessons of History," Will and Ariel Durant's once-over-oughtly of the world's large events; a slightly peculiar self-help manual for businessmen called "Leadership Secrets of Attila the Hun," and, most unsafe, the Little Red Book of Mao Zedong.

Mr. Perot also owns the only copy of the Magna Carta ever taken out of Britain, purchased in 1984 from a relative of Lord Cardigan, of Light Brigade and sweater fame, for \$1.5 million and lent to the National Archives.

**The Secret Opera Fan**

Lo music, President Bush displays much passion for such country-and-western stars as Loretta Lynn, Lee Greenwood, Crystal Chyle and the Oak Ridge Boys, all of whom have shared campaign platforms with him. His emergence as a country-and-western fanatic came during the 1988 campaign, about the time he confessed to a fondness for pork rinds.

In 1990, shortly after it was revealed that the president actually preferred popcorn to pork rinds, his down-home image suffered a further shock when Mrs. Bush revealed that, in their home, the Bushes actually listened to opera.

For Mr. Clinton, music appreciation is a trickier business. Just as there are intellectuals in America, so are there

young people, and it is a tenet of Democratic politics that the young are a critical element of the party's coalition strength.

Thus it was that Mr. Clinton found himself recently with shades and sax on "The Arsenio Hall Show," answering questions on MTV and submitting to an interview with Rolling Stone magazine.

It was in this interview that he showed just how careful he is in treading cultural waters. Asked the defining cultural question of his generation—Who was better, the Beatles or the Stones?—he replied: "Well, they're totally different. To try to compare, as Shakespeare once said, is odious. These are unique people."

In the same interview, Mr. Clinton retired the championship award for universality, praising country-and-western music, swing, rock, soul, rhythm-and-blues, jazz, gospel, classical and rap.

Perhaps Ross Perot will get the polka vote; growing up in Texarkana, he was in an accordion band.

**Teachorous Area**

Television is perhaps the most teachorous area of all Culture, with the highbrow yin of the Public Broadcasting Service and the lowbrow yang of the Fox network sharing the medium.

But most of television is perfectly middlebrow, and once again, Mr. Bush steers a safe, sure path down the center. His favorite shows, according to his campaign press office and other sources, are "Monday Night Football," "60 Minutes," "America's Funniest Home Videos" and "Murder, She Wrote." He has objected in general to fifth on television," and in particular to the Fox network's animated series "The Simpsons."

Mr. Clinton's campaign managers said that their candidate did not watch much television, but that his favorite shows, when he did watch, were "Designing Women" and "Evening Shade," both produced by the Arkansas (and Clinton friends) Linda Bloodworth-Thomson and Harry Thomason.

When it comes to movies, presidential candidates, and presidents, are conspicuous fans of war and adventure yarns. Mr. Bush's favorite is another World War II epic,

"The Longest Day," although he is most frequently associated with the Terminator, Arnold Schwarzenegger, who campaigns for Mr. Bush as he did for Ronald Reagan.

Mr. Clinton's press office countered by saying their man had seen "Patriot Games," which, being based on a novel by the presidential favorite Tom Clancy, counts as a twofor.

Other than action flicks, Mr. Clinton is credited with having taken his daughter, Chelsea, to see two movies recently, "Encino Man" and "Hook."

Mr. Bush may be too voracious a moviegoer to have a favorite. The Bushes, who play movies on their videocassette recorder (which Mr. Bush calls the "V"), have spoken of enjoying everything from "The Little Mermaid" to "Henry V," from "Clary" to "Pretty Woman," the latter being about as daring as presidential moviegoing gets.

Mr. Perot, however, wins the category without even trying; he is the only candidate with a war/adventure movie about himself, "On Wings of Eagles," the television dramatization of the book.

In the category of art, Mr. Perot shines. He not only owns a great deal more art than Mr. Bush or Mr. Clinton, what he owns is in perfect political taste. In his offices are bronze models of the Lincoln Memorial, the Statue of Liberty and the two Jima memorial; a Gilbert Smart painting of George Washington (the only one outside a museum); the Revolutionary War painting by A.M. Willard known as "The Spirit of '76"; a bust of John Paul Jones and another of Teddy Roosevelt; a tableau of wooden birds carved by an artist who received his early training in an orphanage, and a painting of a schoolhouse done by a quadriplegic.

Dominating all this, though, is the work of the quintessential middlebrow American artist, Norman Rockwell. The idea behind demanding catalogues of Culture from the men who would be president is to provide some sort of window into their secret selves.

But not even men who are driven enough to go through the ordeal of a presidential campaign want to expose themselves before 250 million people. What they hold up in front of themselves are not windows, but mirrors.



Tipper Gore, left, and Hillary Clinton, whose husbands are Democratic running mates, at a gathering in Little Rock, Arkansas.

## Mrs. Gore and the Family Values Vote

By Karen De Witt  
New York Times Service

**WASHINGTON**—When Tipper Gore began a campaign against violent and sexually explicit record lyrics seven years ago, her crusade was widely viewed as an inappropriate call for censorship.

But with the recent uproar over the lyrics of rap artists, including Sister Souljah and Ice-T, and calls from the White House for a return to family values, Mrs. Gore, 43, now looks politically prescient.

She may gain new visibility now that her husband, Senator Al Gore, has been chosen as Bill Clinton's running mate. She could provide useful counterpoint to Vice President Dan Quayle, who has been offering his view of family values as a campaign theme.

Mrs. Gore was one of four well-connected Washington wives and mothers who formed Parents Music Resource Center and pressed for warning labels on records with violent or sexually graphic lyrics.

Among performers whose work they found offensive were Prince, Sheena Easton, Twisted Sister, Motley Crue, Cyndi Lauper and David Lee Roth.

The mother of four, she came to personally the movement, especially after testimony before a Senate commerce panel in which she called for a voluntary rating system for records and videos. It earned her the ire of the entertainment industry. The rock performer Frank Zappa, for instance, attacked Mrs. Gore and the other members of the group as "cultural terrorists."

Initially, her husband was opposed to her involvement, but by the time she testified Mr. Gore, a Tennessee Democrat, was supportive. He said she had convinced him that her campaign did not infringe on the First Amendment.

Mrs. Gore went on to write a book titled "Raising PG Kids in an X-Rated Society," expanding on her ideas about the influence of popular culture on young people.

During Mr. Gore's brief 1988 presidential campaign, his wife was on her book promotion tour. Asked whether she thought her point of view would help or hurt her husband, Mrs. Gore said that was irrelevant.

"In the book I am speaking for myself, and in his presidential race my husband will speak for himself," she said. "We're a two-career family."

**Concern in Hollywood**  
The Los Angeles Times reported from Hol-

lywood that some Democrats expressed concern that Mrs. Gore's mid-1980s fight against suggestive lyrics could resurface as a campaign issue over censorship, now that her husband has been tapped as the Democratic vice presidential candidate.

With the entertainment community reeling from a series of attacks, particularly on rap music lyrics that appear to advocate the killing of police officers, some said that Senator Gore's presence on the ticket might represent an attempt by Mr. Clinton to exploit Mrs. Gore's position on rock lyrics and to show the Democrats' support for family values.

"When I talk about Al Gore, the first reaction is: 'He's great on the environment,'" said one organizer of Hollywood political events. "And the second is: 'What about Tipper? It's too bad he's got Tipper.'"

The music side of the industry is a particularly rebellious one, with a long memory, and she is definitely viewed as one of the great villains to come along, said Irving Azoff, owner of Giant Records.

He said that part of the "attack that we in the record business feel we're undergoing at the moment was a direct result" of Parents Music Resource Center's early efforts. "I think there will be a certain backlash in the industry—not because of him, because of her."

## Gore's Flop in '88 Taught Lessons for '92

By Richard L. Berke  
New York Times Service

**WASHINGTON**—He won seven primaries and caucuses. He was one of only three Democratic contenders still standing after the major Southern contests. But the most memorable moments of Senator Al Gore's failed bid for president in 1988 were his most humiliating.

Campaigning before the New York primary, Mr. Gore aligned himself with New York City's mayor, Edward I. Koch. But everywhere he went he would cringe as he was overshadowed and overwhelmed by Mr. Koch's attacks on the other two candidates, Michael S. Dukakis and the Reverend Jesse L. Jackson.

And the Tennessee senator's own attacks on his rivals—encouraged by Mr. Koch—led Governor Mario M. Cuomo of New York to condemn his campaign style as "terribly dangerous."

That was the beginning of the

end. Mr. Gore finished third in New York and, two days later, pulled out of a campaign that often lacked focus and always seemed short of money.

The senator's performance so dismayed Stanley Greenberg, new Governor Bill Clinton's poll-taker, that he told The Washington Post at the time: "I would have thought that his purpose in running, given his age, was to position himself for the vice presidency or for a future run. I can't see where either one of his goals was enhanced."

But other Democrats said that Mr. Gore's experience with the rigors of a national campaign made him more attractive as Mr. Clinton's running mate.

"Nationally, it took him a while to get his voice," said Representative Thomas J. Downey, Democrat of New York, who is close friends with Mr. Gore and ran his campaign in the state.

"The campaign didn't have the

money and didn't have the organization it should have had. He emerged without victory, but in better shape than anyone else. I don't think there is any school that could prepare you for the crush of publicity, the press of the cameras, the jockeying and screaming reporters, that trial by fire."

Larry Harrington, Mr. Gore's political director in 1988, said that as the campaign wore on, the senator became "much more fluid in talking about issues, much more comfortable on his feet and staying on the message."

Indeed, if there is any truth to the notion that you learn more from what you did wrong than what you did right, then Mr. Gore benefited greatly from his quest for the White House.

He seemed like a perfect candidate on paper: a smart, young, well-connected family man with moderate political views. He won the early support of many leading Democratic fund-raisers.

But his biggest success also brought about his undoing. He followed a risky strategy of not campaigning in the opening Iowa caucuses and the New Hampshire primary, devoting his resources to his Southern base. He won five Southern primaries, but the lift never materialized because he did not do well enough to overwhelm his rivals.

It only got worse. Mr. Gore had been so preoccupied with the South that he had no strong organizations

elsewhere. His campaign began throwing money into other states, but it did not seem to have an effect, except to plunge the organization \$1.6 million in debt.

Mr. Gore was also faulted for seeming to redefine himself through the campaign, alternately portraying himself as the progressive environmentalist, the champion of the blue collar and downtrodden, the moderate from the South, and, in New York, the defender of Israel, with foreign policy stands slightly to the right of his rivals.

In New York, his message became entangled in his alliance with Mr. Koch, which the senator's aides viewed as critical in recharging his floundering campaign and wooing Jewish and moderate supporters in the New York City.

But opponents accused him of pandering, and stirring up divisions between Mr. Jackson and Jews.

After he dropped out, Mr. Gore mended fences quickly. He campaigned eagerly for Mr. Dukakis, and had restored their relations to the point that he was considered as a possible running-mate. Mr. Gore also paid off his campaign debts by the end of the year.

Mr. Greenberg, who backed Mr. Dukakis in 1988 and portrayed Mr. Gore as damaged goods, has changed his tune.

"The whole reception to his candidacy today has been free of skepticism," Mr. Greenberg said. "In large part because he ran before, he's tested and experienced."

## Perot Hopes to Name His No. 2 Next Month

By Michael Isikoff  
Washington Post Service

**DALLAS**—Ross Perot, who has been buffeted by a series of critical news reports in recent weeks, is beefing up his campaign operation and hopes to select a running mate by next month, according to Tom Luce, his campaign chairman.

Mr. Luce said that two top aides, Hamilton Jordan, a co-manager of the Perot campaign, and Morton Meyerson, a senior adviser, were reviewing potential vice presidential candidates and that a target date for the selection has been set for mid to late August.

Mr. Perot also hopes to hold some sort of national convention during the same period. Mr. Luce said. Another campaign aide said the effort most likely would consist of a series of mini-conventions, perhaps connected by television, as a way of emphasizing the grass roots nature of the Perot movement.

Mr. Perot's selection of his running mate—and his ability to recruit one who will be widely regarded as credible—is considered one of the most critical tests of his unorthodox, independent candidacy. But Mr. Luce gave little insight into how Mr. Perot was managing the search, other than to say the campaign was conducting active "research" on possible choices.

A handful of states have early August deadlines for filing the candidates' names, but Perot campaign officials have said they believe they would have a strong legal case to challenge any deadline that preceded the close of the Republi-

can National Convention on Aug. 20.

Over the last few weeks, the Perot campaign has been struggling to respond to a series of unflattering news articles about Mr. Perot's past, his business dealings and his vague, and sometimes contradictory, comments on policy questions.

Mr. Perot displayed his apparent frustration over the reports when he was asked about a New York Times article detailing his use of a private detective during a business dispute in the early 1980s.

"Everybody is writing every fruit-loop story in the world without responding to the facts," Mr. Perot said. "What would you expect? Ninety-nine percent of these stories are just elves across the ceiling."

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# In Sarajevo, They'd Rather Have Arms

By John F. Burns  
New York Times Service

SARAJEVO, Bosnia-Herzegovina — As the United States and other Western nations continue to debate ways of protecting and expanding the United Nations relief effort to this besieged city, Sarajevans are thinking less about their hunger than about the risk that the city will be captured by the Serbian forces attacking it.

To many of the 400,000 people suffering under the Serbian siege, the relief effort seems almost like a sideshow beside the massacre that they fear lies ahead.

The Western nations are concentrating on getting food and medicine to Sarajevo and other provincial centers instead of taking action to halt the Serbian offensives against the capital and dozens of other towns across this republic. By doing so, many people here believe, they are applying a short-term solution to a continuing human tragedy.

Each day brings new accounts of what the Serbian nationalists have called "ethnic cleansing," meaning their efforts to rid wide areas of Bosnia, including Sarajevo, of non-Serbs, and above all of the Muslims, who constitute 44 percent of the republic's population.

Bosnian leaders emphasize that the encir-

lement of Sarajevo and its continual bombardment by the Serbian forces is only part of a far wider pattern of Serbian atrocities. Concern for suffering elsewhere in the republic is reinforced by the arrival here, through the siege lines, of survivors of incidents to which non-Serbs, mainly Muslims, have had their throats cut or been lined up in rows and executed.

Jasna Karaula, a Croat, recounted an incident in which Serbian forces attacked the residential area where she lived near the Sarajevo airport, using armored vehicles and firing heavy cannon at every house.

At one point, she said, two Muslim neighbors living in the same apartment building were pulled out of the building and asked for their names. A young man answered "Selim," a Muslim name. The man asking the question, a Serb, "never spoke a word, he just cut his throat," she said.

Predictions by officials of imminent disaster are clearly calculated to spur the West into military action. The appeals have gained intensity despite Western governments' extreme reluctance to become directly involved in the fighting here, which was described by Secretary of State James A. Baker 3d this week as having "quagmire potential."

Many people here hold the government of the Bosnian president, Alija Izetbegovic,

partly responsible for their plight because, they say, it ignored or misread signs that Serbian nationalists were preparing for war.

Still, there is little disagreement with Mr. Izetbegovic's forecast that the Serbian attackers, particularly paramilitary groups who have shown a chilling ruthlessness elsewhere in Bosnia, will be unsparing if they capture the city.

In this context, some see the role played here by the United Nations as potentially misleading, if not actually damaging.

Sarajevo television broadcasts American and European network coverage of the airlift, and many residents feel that an impression is being created that the core of their difficulties is being met. In reality, these people say, the Western nations that are providing most of the aircraft and supplies may be saving them from hunger and disease only to allow them to die later from Serbian guns and knives.

"Yes, yes, food is nice, food is important, but chocolate for kids is not enough," said Sakir Drifto, a 43-year-old electrical engineer who lives in one of the most heavily damaged sections in the city.

"Better we will eat grass, if only the world will give us arms," he said, speaking in English. "If not arms, soon here will be much murder, here will be genocide."

## SCOOP: Nazi's Diaries Are Hardly an Exclusive, Historian Says

(Continued from page 1)

Moscow also was available in Munich to any historian who requested it. The Moscow material consists of photographic copies on glass plates.

The Sunday Times has been hallooing the publication on Sunday of the first episode from the diaries.

On Friday, however, the tabloid Daily Mail, claiming a sensational scoop, splashed its version of the diaries over the front page under the headline "Lost Secrets of the Nazis."

But Mr. Cesarani said the Mail simply did what any historian could have done, and went to the institute in Munich.

"I think that The Sunday Times bought a pup from David Irving," said Mr. Cesarani, meaning it bought something worthless, "and I think that the Mail in its enthusiasm to scoop The Sunday Times has been forced into the position of sensationalizing something that is rather unexceptional."

"If they had taken the time to consult with historians of the peri-

od, scholars of Goebbels, they would have learned very quickly that this is not the kind of material that is going to bring forth scoops or sensations," said Mr. Cesarani. "It's pretty boring stuff."

Neither The Sunday Times nor the Daily Mail returned phone calls asking for their version of the publication.

The first extract published by the Mail covered the aftermath of the attempt to assassinate Hitler in 1944, and Goebbels's musings about his readiness to assume the Führer's mantle.

"The diaries first came to the notice of the West in 1972 through a German journalist with contacts in East Germany," Mr. Cesarani said.

He said that the journalist had supplied them to a publisher called Hoffmann and Campe, which published one volume dealing with 1945.

"This was a commercial flop," Mr. Cesarani said.

He added that extracts from the diaries, as transcribed by the institute, were issued in Germany in 1987 by the K. G. Saur publishing

house, which also issued a four-volume English translation covering the period from 1924 to 1941.

Mr. Cesarani said that toward the end of the war, Goebbels dictated his diary to a battery of stenographers who then produced a typewritten version. The excerpt published in the Daily Mail was taken from this period.

Jewish groups in London protested last week when it was learned that The Sunday Times had paid Mr. Irving to sift the material.

In January, he claimed to have unearthed the diaries of Adolf Eichmann, the architect of Hitler's genocide policy, despite the fact that these had long been in the public domain.

Mr. Irving once described the gas chambers at Auschwitz as a tourist attraction built by the Poles after the war, according to Mr. Cesarani, and claimed that Anne Frank's diary was a forgery. Last year, at a rally of neo-Nazis in Halle in Germany, Mr. Irving poured abuse on asylum-seekers as the crowd chanted "Sieg Heil."

## DIARIES: Uproar Over Goebbels

(Continued from page 1)

his views or not. The Sunday Times is helping to legitimize Mr. Irving and the so-called "revisionist" version of Nazi Germany.

"When you buy David Irving, you buy the whole package — you can't separate his technical abilities from his views," said Antony Lerman, executive director of the Institute of Jewish Affairs in London.

"Holocaust denial is one of the newer, international forms of anti-Semitism and it's most unpleasant because it claims Jews fabricated the whole thing for their own gain," Mr. Lerman said.

Goebbels was a scrawny little man with a club foot, a ruthless cynicism, a vicious hatred of Jews and an infatuation with Adolf Hitler matched only by his admiration of his own ego.

He was with Hitler from the ear-

ly days of Nazism to the fall of Berlin in 1945, when Goebbels and his wife joined the Führer in suicide by poisoning their six children and then themselves.

He was an inveterate diarist, and much of the material has been published over the years by the Institute of Contemporary History in Munich. But a large chunk remained tucked away on old-fashioned glass microfiche plates in a Moscow state archive, where they had been trucked from Germany at the end of World War II.

Elke Fröhlich, researcher for the Munich institute, came across the plates earlier this year and arranged a contract with Russian archivists to collate and publish the material. Then in early May, someone tipped off Mr. Irving about the diaries. He approached The Sunday Times and, with its backing, headed to Moscow.



Mr. Clinton, left, and Mr. Gore were in the running on Friday.



The Yugoslav prime minister-designate, Milan Panic, telling journalists in Helsinki on Friday that President Slobodan Milosevic of Serbia had better not stand in the way of efforts to restore peace.

## CSCE: 2 European Alliances Act in Tandem on Serbia

(Continued from page 1)

overshadowed the security conference, which brought 52 heads of government to Finland for an attempt to strengthen the European ability to resolve ethnic and nationalist conflicts like the Yugoslav civil war.

The security conference ended its meeting by streamlining a cumbersome structure in hopes of being able to halt ethnic battles in the disputed Caucasian enclave of Nagorno-Karabakh, in Moldova and in the Balkans.

But the security conference — which consists of the former Soviet republics, other European nations, the United States and Canada — nearly failed to agree even on a jointly issued statement condemning the Yugoslav violence. A statement was passed in the final minutes of the meeting, but participants contemplated no steps beyond sending emissaries to Bosnia and other strife-ridden Balkan regions.

The conference, long criticized even by some of its own members for being little more than a debat-

ing society, agreed to set up a commission on national minorities to try to prevent ethnic conflict. The conference also will be able to send peacekeeping forces to tense areas, but only if all parties in a conflict want them. NATO has offered its troops as a conference peacekeeping force.

But the conference failed to agree to proposals to send a mission to Moldova or to send 100 observers to Nagorno-Karabakh, where battles have raged for four years, killing about 2,000 people.

Mr. Baker said he had told Mr. Panic: "The world now demands deeds from Yugoslavia, not just words. We have heard words before."

Mr. Panic spoke after he met with Mr. Baker, Foreign Minister Andrei V. Kosyrev of Russia and President Franjo Tudjman of Croatia.

He had come uninvited to the Helsinki conference, which has suspended Yugoslavia's membership for 100 days, allowing him time to seek peace before expulsion is considered.

"I will go and talk to the leaders in Sarajevo," Mr. Panic said. "I have an invitation and would have gone today."

He came representing a government that now includes only Serbia and Montenegro. He said he considered the Serbian government of President Slobodan Milosevic like the government of a U.S. state.

"I'll do my job, and he will do his job, and God help him if he gets in my way," he said, repeating the statement two more times.

The extent of Mr. Panic's power over Mr. Milosevic, whom U.S. officials have blamed for Serbian attacks on breakaway Yugoslav republics, has not been clearly established.

Mr. Panic, who runs a pharmaceutical business in California and has never held political office, promised he would make every effort to stop the fighting, including getting Yugoslav arms out of Bosnia. Mr. Milosevic has been blamed for supplying those weapons to Serbian forces.

As Mr. Panic arrived in Helsinki, fighting flared sporadically again in Sarajevo.

One person was killed in a street battle in the disputed Dobrinja district near the Bosnian capital's airport and one died in shelling of the city center, according to Sarajevo radio.

Three mortars hit the high-rise Holiday Inn, where many foreign journalists are staying, making the building shake, and bursts of artillery and machine-gun fire echoed round the city.

(Reuters, AP)

## PARTY: Break With Tradition to Symbolize Change

(Continued from page 1)

Bush will be forced to spend time and money defending his southern base. "I think we'll end up with a good hock of southern states," said Stanley Greenberg, Mr. Clinton's poll-taker.

In addition to obvious targets like Tennessee and Kentucky, Mr. Greenberg said, Democrats will show strength in places like Louisiana, Alabama and Mississippi, where the substantial black vote could make the Clinton-Gore ticket competitive in a three-way race. Other Democrats said the ticket also could have improved chances in states like Georgia and North Carolina.

But the Clinton-Gore ticket will not be able to take black voters for granted. While Mr. Clinton won substantial majorities among black voters in the primaries, turnout fell sharply in many states compared to 1988. "They've got to give every body a reason to vote for them," one Democrat said.

Democrats strategists said the southern and generational appeal also provides openings across the center of the country, in border states like Missouri, and with certain voters in Illinois, Michigan and Ohio who have southern connections from earlier generations of migration.

But in those midwestern industrial states in particular, the Republicans will counter with criticism that the Democratic ticket

represents "environmental extremism" that would threaten the automobile industry's economic vitality. The attack began hours after Mr. Gore's selection, with top Bush campaign officials warning that Mr. Gore's environmental record would play poorly in the business community.

Democrats said that Mr. Gore's environmental credentials, offsetting Mr. Clinton's weaker record in that area, would help the ticket in the West, including California. But Dianne Feinstein, the former San Francisco mayor now running for the Senate, said the economy is a more important issue there than the environment right now and added that neither Mr. Clinton nor Mr. Gore is well known in that state.

Mr. Gore's presence on the ticket also could help the Democrats in Oregon and Washington, which Michael S. Dukakis won in 1988 but where Mr. Perot now runs strong. Colorado, a state with a young, environmentally conscious population, also ranks as a Democratic target. "I'm delighted by the choice," said Howard Gell, the Democratic chairman in Colorado.

The Bush campaign chairman, Robert M. Teeter, said Mr. Clinton's choice of Mr. Gore "indicates to us he needs help" in his own region. But Mr. Teeter said the selection will help only in Tennessee if history is a guide. "I don't think there is any evidence a vice-pres-

dential candidate helps in a state other than his own," he added.

Mr. Gore's addition to the Democratic ticket does least for the northeastern states, a region of the country where Mr. Clinton often struggled during the primaries. But Democrats predicted that the weak economy and Mr. Clinton's ability to sell his economic program, not his choice of vice president, would prove decisive in that region. "The guy who needs to spend a lot of time here is Clinton," one northeast Democrat said Thursday.

Mr. Clinton this spring and Mr. Gore in 1988 ran into problems campaigning in New York, and Jimmy Carter's experience during his campaigns suggests a culture gap that the all-southern ticket could face in a state the Democrats must win.

At the same time, Mr. Gore's liberal positions on social issues, which are similar to Mr. Clinton's, may cause unease among white ethnics, despite the view among Democrats that Mr. Gore and his wife, Tipper, help the party offset Republican "family values" appeals.

The Republican National Committee chairman, Rich Bond, called the Gore choice "dud on arrival" and said it meant the Democrats had settled on a southern enclave strategy designed to gridlock the election.

The Democrats, he said, "are trying to go at Bush's electoral strength in the South with no ability to appeal elsewhere."

## PLO: The Stunning but Shadowy Slaying of an Aide Who Helped West

(Continued from page 1)

in Tunis provided a basic outline of the killing.

Less than eight hours after driving to Paris from Berlin, Mr. Beiso returned from a late dinner with two friends and was killed by three bullets. The shots were fired at point-blank range by one of two men who were waiting for Mr. Beiso outside the luxury hotel where he had registered under an alias.

The killers — in black jogging suits and with short-cropped hair — were seen running off into the night by bystanders. The handgun used was equipped with a silencer and a bag to catch the spent cartridges.

Originally Mr. Beiso had planned to avoid Paris. How the killers knew he was coming here — a decision he made only four days before his death — remains unclear. But specialists suspect his plans were learned through telephone taps or leaks from inside the PLO, from his French contacts at the DST, or from Germany.

Experts also theorize that Mr. Beiso helped bring about his own death by his fondness for cars. He insisted on driving a recently acquired Jeep from Berlin to Marseille, where he had made a reservation on a trans-Mediterranean car ferry to Tunis. The PLO headquarters.

That made it easy to follow him. He also may have helped his killers by staying at a Left Bank hotel he had used previously, the Hotel Méridien Montparnasse.

Soon after arriving at the hotel, Mr. Beiso reportedly appeared uneasy and mindful of a warning that Mossad was gunning for him. He was said to have been upset enough by a man who stared at him intently in the hotel lobby to have called a contact in the French intelligence service and asked for protection.

He reportedly was told that no one was available until the next morning, when he was to have met his usual French contacts. French officials deny a telephone call was placed, but they deny Mr. Beiso asked for protection then or during any of his frequent visits to France.

Beyond these accounts, the Beiso case is largely speculation. PLO officials said Mr. Beiso had been warned that Israel's Likud government was out to kill him to impress voters in the Israeli parliamentary elections June 23.

Some intelligence specialists say one sign of likely Israeli involvement was a statement by General Uri Saguy, Israel's military intelligence chief. He told a background briefing of Israeli reporters within hours of the assassination that Mr. Beiso had been involved in the massacre of Israeli athletes at the 1972 Olympic Games in Munich.

Sources insisted, however, that Mr. Beiso had nothing to do with the killings in Munich. They also said they doubted that Mossad would undertake such a risky operation just to perpetuate the image of Israel's waning vengeance 20 years later. But the fact that General Saguy was willing to say anything was a giveaway, they said.

Some Palestinians asserted that Mr. Beiso was killed because he regularly met U.S. officials secretly in Madrid to exchange information, notably about their common enemy, Abu Nidal.

In 1979, Israeli agents in Beirut killed Mr. Salameh, the PLO's secret liaison agent with U.S. officials, at a time Washington officially denied meeting with the guerrillas.

Whatever its rationale, Mr. Beiso's killing had major repercussions on the PLO's long-established information exchanges with the Austrian, French, German, Spanish and Turkish intelligence agencies, according to intelligence sources.

The elimination of Mr. Khalef and Mr. Beiso in such a relatively short period could have been especially damaging to the PLO because both men were known for refusing to commit their intelligence files to paper, according to Palestinian sources.

Mr. Beiso was a senior operative who ran the PLO's European network, according to Yossi Melman, a veteran Israeli journalist who specializes in covering Mossad.

Unlike many other intelligence agencies, the PLO does not compartmentalize its operations. Mr. Melman said, so killing Mr. Beiso would eliminate the man in charge of internal security, agents in Europe and liaison with foreign counterparts.

French officials said they were convinced the choice of French soil for the assassination was a deliberate message, even a warning, for their government. But they assert that they have not deciphered the message, since France in recent years has reduced its centuries-old interest in the Middle East and is no longer considered a major player in that region.

That evaluation tended to eliminate Israeli responsibility in some French minds. Perhaps for that reason, French officials close to the investigation suspect Abu Nidal, despite a never-acknowledged 1983 agreement with the terrorist placing France off-limits for acts of violence committed by his organization.

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**Very Conventional Patricia A. Ceval**

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**Solution to Puzzle of July 4-5**

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INTERNATIONAL Herald Tribune

The Democratic Ticket

Gore Is Right Choice

The naming of a vice presidential candidate creates an instant political calculus. Among which groups and to what extent will the choice of Senator Albert Gore help Governor Bill Clinton, and what are the opportunity costs in the sense of advantages forgone by virtue of not having chosen some other candidate? How much stronger or weaker are the party's chances now in the South (and North, East and West), among the young, among environmentalists, women, blacks, dairy farmers, people with red hair, long hair, no hair? And on into the evening.

use the presidency's considerable appointive powers. Here, too, Mr. Clinton shows up well for having chosen someone strong.

Jesse Jackson said a bit petulantly (he and Mr. Gore had a bad patch in the 1988 presidential primaries) that it was a "fairly narrow" ticket. That is only true if you have a fairly narrow definition of "narrow." It is an attractive ticket. It is true that both of the nominees-to-be are from the broad middle of their party (as well as from adjacent southern states, itself a departure but not what Mr. Jackson meant). But surely for the Democrats after all these years, ideological moderation in pursuit of the presidency is no vice. Nor really is "moderate" the right word. Together, these candidates are committed to their records to what are pretty clearly progressive policies across the full range of domestic issues; they seem to us to have a fairly balanced approach to national security questions as well.

It is a young ticket, but these are not inexperienced men. The Democrats will have a lot of their eggs in the southern basket, but that has at least as many possible electoral advantages as not. In a number of areas of expertise, from arms control to threats to the environment, Mr. Gore's credentials will strengthen the ticket. Surely there is nothing wrong with that. The Democrats are presenting America with a good choice.

—THE WASHINGTON POST.

The Torch Is Passed

When Governor Bill Clinton introduced Senator Al Gore as his running mate, Mr. Gore stressed that it was time for a new generation of leaders to replace those he said have run out of energy and ideas. The Democratic candidates, both in their mid-40s, present a youthful contrast to President George Bush and Ross Perot, both in their 60s. But more important are the historical forces that have shaped this younger generation of political leaders, the first to be born and grow to maturity after World War II.

Certainly, people become who they are through individual experiences. But it is also clear that Mr. Clinton and Mr. Gore are a cohort apart from previous political generations, just as those in the Kennedy administration stood apart from the men who dominated politics before them. They came of age through the same nation-shaping events. Vietnam is the most obvious one. Americans who matured before that war believed that the nation was invulnerable in the field and steadfast as a force for good. Vietnam shook both these beliefs. That Mr. Gore served and Mr. Clinton did not recalls the painful division that the country experienced. The Clinton-Gore candidacy reminds us that there were brave, principled people on both sides of the Vietnam debate, and that those divisions may yet be healed.

The civil rights movement is another crucial experience shared by the two men. Mr. Clinton, from Arkansas, and Mr. Gore, from

Tennessee, both came of age in states deeply affected by the national struggle against racism and segregation. In 1957 federal troops arrived in Little Rock, Arkansas, to provide black children safe passage to school. In 1968, Memphis, Tennessee, was the sight of Martin Luther King's assassination. The two know firsthand how racism poisons society.

The women's movement was unfolding as well, bringing new attitudes and values that have affected both men's lives. Hillary Clinton and Tipper Gore have both raised families and asserted themselves outside the home. Their husbands believe that decisions on abortion and reproductive rights belong in the hands of women.

The two Democrats have something else in common: Both chose political careers early and have become expert practitioners. Mr. Clinton is held in high esteem by his fellow governors. Mr. Gore has earned respect for his incisive work on foreign policy, arms control and the environment. What a contrast to Mr. Perot, the business whiz who boasts of his political inexperience.

Mr. Gore brings candor to the Democratic ticket. Whereas Mr. Clinton exposed himself to derision by saying he had experimented with marijuana but never inhaled, Mr. Gore defused the issue deftly in the 1988 campaign by acknowledging youthful marijuana use and getting on to more important business. Whatever factors went into it, the choice of Mr. Gore marks the passing of the torch in the Democratic Party.

—THE NEW YORK TIMES.

Keep the Heat on Saddam

Reports of a recent attempted and aborted coup in Iraq have caught Washington in a mixed mood. It is good news — if true — that Saddam Hussein may be losing some of his grip on the Iraqi military. But it is discouraging to consider that this evil figure remains in power, defying the United States and all the other states that would like to see him gone. It is especially bitter and even politically costly to the Bush administration that Saddam Hussein out only survived a military pounding but may yet outlast President George Bush in office.

It seems that the Bush administration has used intelligence and propaganda means to try to embolden some of the Iraqi opponents of the dictator to push him out. But the administration has withheld full political support from Iraqi opposition elements and has hesitated to be seen cranking up any new military operations. This policy of one foot on the accelerator and one foot on the brake reflects more than Washington's embarrassment at having earlier encouraged the boldness by Iraqi resistance than it was prepared to support.

The prevailing sentiment is that the main danger posed by Saddam Hussein has been

and is being contained. Most governments are prepared to live with his quieted tyranny. There is a case to be made that, given the circumstances, this is an acceptably expedient policy. Its continuance can be justified, however, only if some of the particular aspects of it are kept steady and sharp.

There can be no slacking in the pursuit of Iraq's lingering special weapons, nuclear and otherwise. There can be no softening of the economic embargo and of Iraq's political isolation except on the controlled terms approved by the United Nations. Kurds inside Iraq, and any other democratic opposition elements in exile, deserve political respect and cooperation. The air shield that Americans and others provide over the Kurds' lands in northern Iraq must be maintained; for them and only for them, the international embargo on Iraq ought to be relaxed. Arrangements must be extended for the foreign providers of relief.

Such measures do not guarantee that the regime of Saddam Hussein will go. They do keep the Iraqi leader under pressure. But the further damage he could do beyond Iraq and offer some hope for a successor regime.

—THE WASHINGTON POST.

He Got the Words Right

The period before World War II produced a remarkable flow of talented young Americans into international journalism. Coming — many of them — from the Midwest, they sallied forth into a troubled world and became absorbed in conveying its galloping discontents to a public back home. Most of them, like Eric Sevareid of CBS, would die Thursday at age 79, were Roosevelt liberals who believed that the United States had to go to war against Hitler and, later, that the country could not lapse back into isolationism. The members of this small, distinguished and, in time, famous band came to play a historical role. They became the chroniclers and authenticators of the passage of the United States from an inward-focused country into one striding the world.

Eric Sevareid came out of North Dakota and Minnesota and was working for United Press and the New York Herald Tribune in Paris when Edward Murrow, attracted by his seriousness and his way with the language, hired him for CBS radio. He had his journal-

istic scoops, including the surrender of France. (They don't make scoops like that anymore.) But, as Paris colleague William Shirer put it Thursday, Eric Sevareid felt himself part of a heraldic literary tradition established by Theodore Dreiser and Sinclair Lewis, and he was thoughtful, he wrote well, and he did not suffer editors meekly. When he went to television, and especially when he moved from hard news to commentary, viewers saw him as a paragon of quiet, sonorous and authoritative cool. But he tended to squirm a bit in his chair and to fret about the lights and to concentrate — you could see it on the screen — on getting the words right.

Eric Sevareid was one of a select few who established the pattern of journalism — the special chemistry of stocking even, engaged communicator and mass audience — in his time. He brought decency and a sense of America's worth, and its vulnerabilities, to the experience of seeing America into the world. He got the words right.

—THE WASHINGTON POST.

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Democrats Can Cash In This Time

By George F. Will

NEW YORK — One spends four years rebuilding one's belief that human beings have souls, and then the political conventions come 'round again. Conventions usually are 'round seas of strange hats and stranger ideas, the former worn by people attending for fun, the latter held by people going earnest. Usually conventions do more damage to Democrats than Republicans because Democrats believe in government and hence demand more from it and, thus, seem, in convention assembled, like a swarm of imperious appetites. Republicans are more content — that is one reason they are Republicans — and so seem more serene and disinterested.

However, this year is different because Republicans are talking the sort of rot usually heard from the party that is outside looking in. The out-of-power party usually says that the nation's values are disappearing down the drain with a horrid gurgle. But this year that is the peculiar insistence of the party that has held the presidency for 12 consecutive years and 20 of the last 24.

Dan Quayle has been values-mongering, saying George Bush is for "basic values," or "family values," and doesn't regard "all life-style choices as morally equivalent." Mr. Quayle's inuendo — that Bill Clinton so regards those choices — is, presumably, a response to the Arkansas governor's courtship of gay voters.

Apparently Mr. Quayle's idea — the only Republican idea just now — is that presidents are the nation's moral tutors, or role models, or something. Anyway, presidents supposedly make the difference between excellent and disastrous "life-style choices." Gosh, Murray Brown is in her 40s, which means she, like most Americans, has lived most of her life under Republican presidents.

Republicans are harping on something barely relevant to presidential duties — "life-style choices" — because of the intellectual bankruptcy of Bush-style Republicanism, and because Democrats have made themselves vulnerable to exploitation of the nation's sense of disorder, moral as well as material.

Once upon a time, during the Depression and after, Democrats concentrated on material matters such as FDR's one-third of a nation ill-



housed, ill-clad, ill-nourished. The New Deal also began the federal government's conscious expansion of the middle class. All this made the nation more conservative because it blunted the appeal of class-oriented politics. But beginning 30 years ago, the very success of the policies of material amelioration made the Democratic Party susceptible to a radicalism — a radical reorientation of politics. Democrats, or at least many intense, articulate, materially comfortable and politically conspicuous factions, became preoccupied with what can be called "identity" issues — rights based on ethnicity and sexuality. The old material questions of distributive justice lack the emotional kick that cultural questions now have in a nation unmoved by the fact of a perverse correlation: prosperity and disorder have increased in tandem. That is why it is folly for Democrats to convene here in what used to be New York City. No city has changed more for the worse in 40 years. It is now a cautionary symbol of the social disintegration that has coincided with the elaboration of the

welfare state (nowhere more improvidently than here) and with the expansion of individual and group "rights," which Democrats have championed. Mr. Clinton's choice of Al Gore as a running mate may signal a turn back toward a politics that gives order and mundane material preoccupations their due. Certainly it signals a confidence about cracking the Republican's presidential base, the South. The Arkansas-Tennessee ticket is the first geographically contiguous ticket since the Missouri-Kentucky ticket of Truman-Barkley — not a bad omen. A conservative working for Mr. Bush says Mr. Clinton could win if voters conclude that Mr. Clinton's election would catalyze something like a "Hawthorne effect." That concept derives from experiments 60 years ago at the Hawthorne plant of Western Electric near Chicago. Efficiency experts studied 13 women assembling telephones. Many variables were controlled: light and temperature in the workshop, the rest and nutrition of the assemblers. Startlingly, productivity rose with every change. At last the experimenters

concluded that the experiment itself — the interest shown in the workers — worked. It inspired the workers, making them more efficient. A "Hawthorne effect" is improved performance by the mere fact of change. America is susceptible to political "Hawthorne effects" because Americans, being optimistic, associate change with improvement. Change makes them cheerful, and more productive. Hopeful people work better, invest more, stay in school, have babies. Happiness has a huge multiplier effect. Franklin Roosevelt (nothing to fear but fear itself; happy days are here again) understood this, as did his most successful emulor, Ronald Reagan ("Morning in America"). Mr. Clinton can defeat Mr. Bush if he can remember what Mr. Reagan said, what Mr. Roosevelt understood and what subsequent liberals have forgotten: Americans are happiest when pursuing happiness, happiness understood as material advancement, pursued with government's help but not as a government entitlement. Washington Post Writers Group.

Nations Must Lead When Collective Security Stalls

By William Pfaff

PARIS — The challenge to American world leadership that many saw in the Group of Seven meeting in Munich was in fact a challenge to America's predominant role among the industrial democracies. Leadership is something else.

The West European countries, collectively, are by gross measures of economy and industrial production more important today than the United States, and are mostly in much better economic and social health. Hence they have proved increasingly unwilling to yield to Washington's wishes concerning policies of economic stimulus and growth, and on farm subsidies and other obstacles to a new world agreement on trade liberalization. But if leadership has moved to Europe, as in the Bosnian crisis, it is because President George Bush has been unwilling to do anything that might risk his already shaky re-election prospects. It is a case of American renunciation, or abdication, of a leadership it might otherwise have easily claimed.

The French argue that Europe now leads in dealing with the former Yugoslavia, and they have pressed to expand that European role at the Conference on Security and Cooperation in Europe and Western European Union meetings in Helsinki that followed the Munich gathering. However, the French do themselves a disservice in talking about European leadership. There has from the beginning been no collective European action on the Yugoslav war that has had any serious effect. Lord Carrington's mediation, the powerless EC monitoring groups, the West Europeans' confused response to the new Yugoslav successor-states' demands for recognition, have done next to nothing to check ethnic violence or Serb and Croatian expansionism.

The leadership of the past two weeks has come from France, not "Europe." The Sarajevo airport was opened, and the humanitarian airlift made possible, by President François Mitterrand's visit to Sarajevo, the dispatch of some 300 French marine commandos to reinforce the small Canadian UN detachment already at the airport, and the willingness of French air force pilots to open

an air bridge despite the unresolved threat of Serbian artillery in the hills around Sarajevo and the danger of crossfire at the airport itself. After that, the United Nation's Canadian battalion from Croatia opened a land route to Sarajevo, and the other Europeans and the United States joined the airlift.

Nothing would have happened without France's initiatives, which reflected the developing conviction in France, promoted by the minister of health and humanitarian action, Bernard Kouchner, among others, that the international community has a right to make humanitarian interventions that ignore national sovereignty when grave violations of human rights exist. France plans to send nine helicopter gunships to defend the airport, plus more troops, to be joined by Egyptian and Ukrainian UN detachments. There is in this an important lesson about leadership — one which the Gulf War should have taught — that needs to be grasped if the potentialities as well as the limitations of international cooperation are to be understood. Groups do not lead. Individual governments lead. Europe as a group of states was incapable of acting effectively on Yugoslavia because it had no common judgment on the implications of the crisis, nor on what should be done about it. It does not agree even today. In Munich, the Group of Seven threatened military intervention in Bosnia. It will have serious problems carrying this out, if it comes to the test. The United States has already said it will supply on ground troops.

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Southern Africa: Hopes Are Drying Up in Drought

By Anthony Lewis

HARARE, Zimbabwe — Even a world inclined to television pictures of gaunt famine victims should care about the devastation menacing the southern third of Africa. Eleven countries, with a population of more than 120 million, are living under a drought previously unknown to the region in its sweep and severity. The rains that should have fallen last spring — October and November in the Southern Hemisphere — did not come at all in many places. The corn that is milled into the area's staple meal never grew. Lakes dried up.

Outside South Africa, the region's industrial powerhouse, 17 million people are under direct threat of starvation. Even South Africa has been severely hurt. Usually an exporter of cornmeal, it will have to import more than five million tons by next May. "We'll be lucky if a lot of people don't suffer and die," said David Morton, regional director of the United Nations World Food Program. "The grain is available in the world. We're talking money — and time."

At a conference in Geneva six weeks ago, donors pledged \$526 million in aid to southern African drought victims, most of it coming from the United States, the European Community, Japan and Scandinavia. The total was only 60 percent of the estimated need. Mr. Morton said the countries worst hit by the drought are Mozambique, and Malawi, Zimbabwe and Zambia. He pointed out that they are the countries of the region with the most severe transportation problems. Mozambique has been ravaged in the long war against the government by Renamo, which kidnaps peasants and kills or maimates those who resist. Moving anything is difficult and dangerous in most of the country. The other three nations are landlocked.

Renamo's war has produced one dramatic illustration of the drought. Zimbabwean troops protect a corridor from the port of Beira, in northern Mozambique, through which a highway and rail line run to Zimbabwe. Hundreds of thousands of starving refugees from Renamo-held areas are camped along the Beira highway and are getting some relief food. Efforts began two years ago to reconstruct Beira's port have fortunately been carried out to a significant extent. Six ships were unloading grain there the other day, and the road to Zimbabwe was jammed with trucks.

The other ports being used are Maputo in Mozambique, Durban, East London, Port Elizabeth and Cape Town in South Africa, and the South African territory of Walvis Bay in Namibia. There also is Dar es Salaam, Tanzania, from which grain has to move to Zambia on a decrepit railroad and highway. So far the largest part of emergency grain supplies have come through South Africa. There has been good cooperation between South Africa and its neighbors. Even Zimbabwe, which had refused to have any kind of high-level contacts with the white regime, sent its transport minister, Denis Norman, to work out plans. "Food is moving," Mr. Morton said, "but time is running out." What makes this drought so devastating, he added, is that it covers the whole region. In the past this country or that has had trouble but has been able to buy from another in the region, usually South Africa or Zimbabwe. Bringing grain from across the world takes months and costs much more. The drought is having deadly ripple effects on local economies. Zimbabwe usually produces 450,000 tons of sugar, much of it for export. This year the cane crop was just 12,000 tons. Cotton, used in a profitable textile industry, is down 70 percent. Bulawayo, the country's second city, has only a 40-day water supply left. The growth rate in Zimbabwe is negative now: minus 8 to minus 10 percent. The official inflation rate is 43 percent. Prices are bound to go higher with the cost of imported corn, sugar, cotton, oil and other staples. All this is a cruel blow to a country and a region that had reason to think

better times were coming; racial conflicts were being resolved; a real possibility. Now people are thinking only about getting through to the next rain — if it comes. The New York Times.

So far the largest part of emergency grain supplies have come through South Africa. There has been good cooperation between South Africa and its neighbors. Even Zimbabwe, which had refused to have any kind of high-level contacts with the white regime, sent its transport minister, Denis Norman, to work out plans. "Food is moving," Mr. Morton said, "but time is running out." What makes this drought so devastating, he added, is that it covers the whole region. In the past this country or that has had trouble but has been able to buy from another in the region, usually South Africa or Zimbabwe. Bringing grain from across the world takes months and costs much more. The drought is having deadly ripple effects on local economies. Zimbabwe usually produces 450,000 tons of sugar, much of it for export. This year the cane crop was just 12,000 tons. Cotton, used in a profitable textile industry, is down 70 percent. Bulawayo, the country's second city, has only a 40-day water supply left. The growth rate in Zimbabwe is negative now: minus 8 to minus 10 percent. The official inflation rate is 43 percent. Prices are bound to go higher with the cost of imported corn, sugar, cotton, oil and other staples. All this is a cruel blow to a country and a region that had reason to think

Drug War Won't Stop On Its Own

By A. M. Rosenthal

NEW YORK — Democrats and Ross Perot talk of the need for change in the way our governments think and act. All right.

Washington Heights, in New York, gives them a chance to prove they are capable of doing anything about change except talk.

In the lobby of an apartment building, a police officer shot and killed a Dominican who lived in the neighborhood. Immediately and without inquiry, some other residents of Washington Heights cried murder. Hoodlums used the demonstration to smash windows and burn cars. Some appeared on TV to announce their sociological goal: to teach the cops a lesson. In the city's precinct houses, police said what the hell is on — we risk our lives every day and are denounced as murderers.

If the first stay out for the convention, it will be partly because Mayor David Dinkins spent gaudy time in the precincts. But one ought also to think some neighborhood entrepreneurs — the drug gangsters who run Washington Heights and leaped into rumpage. They will decide if they've made their point to the police — back off — and if more rioting might scare away too many customers.

Yes, there was anger and poverty in Washington Heights. But the casual, manipulative importance of drugs and the infusing army of drug criminals has not yet taken full hold in New York or the country.

Over the years I learned that certain law enforcement people tell me the truth at least as often as the elected officials, bureaucrats, generals, diplomats and businessmen who provide most of the information for the press. These law people draw this outline of what happened:

The man who was killed was a member of Los Cibanos, part of a network of Dominican gangs. The shooting took place in a building that is one of the gang's three centers — among scores of similar distributors of drugs and death in the neighborhood. On that street, at least eight drug murders have taken place.

The autopsy shows that the man was shot in the stomach and "across the back" — meaning he might have been standing sideways — not "in the back," as has been reported. The officer says the man had a gun.

Yes, people like me, brought up in safe families in safe, cops-aiding working-class neighborhoods, tend to trust the police and have no fear of them. People in Washington Heights have both distrust and fear.

But they know better than anybody that the spraying bullets that kill their children come not from police but from their drug-dealing neighbors. That may be why only a relative few in a crowded neighborhood of hundreds of thousands took part in the demonstrations.

If necessary a jury will decide on the officer's conduct. But without any jury we know that like hundreds of other American neighborhoods it is dominated by drug gangs armed better than the police. There's a drug war out there, though the phrase disturbs delicate sensitivities.

In their platform the Democrats have one sentence on drugs: Governor Bill Clinton, Senator Albert Gore, Jesse Jackson: If Democrats want change, then change the damned convention agenda; break it open to talk about the drug war.

They could invite Dr. Mitchell Rosenthal, the drug-trade lawyer, who can tell them of the desperate need for long-term treatment in special centers and prisons where millions of addicts could be helped to drug freedom. They could invite Robert Mergenthaler, the New York district attorney, who might educate them about what is going on in the captive neighborhoods. And they should get Mr. Jackson to make a speech on what drugs do to African-Americans.

Then the Democrats could show change by putting out a new, full anti-drug platform.

Ross Perot — you said long ago you had a drug plan that would not be pretty. We want legal, never mind pretty. Let's have it now — your obligation to every Washington Heights in the country.

But if neither the Democrats nor Mr. Perot want to trouble themselves too much about drugs, there is another solution — legalization. That might reduce the number of killings. Of course, it would also increase the number of addicts, AIDS victims, babies born with ever-damaged brains. A lot of it would amount to genocide against the major drug victims — blacks and Hispanics. Maybe they wouldn't mind.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Bastille Boycott

PARIS — The members of the labor organization of the town of St. Nazaire refuse to celebrate the national Fête of July 14, on the grounds that only the bourgeoisie have derived advantages from the destruction of the Bastille. They considered themselves as much wronged as in 1789; and they declared they would abstain from all demonstration, and henceforth only recognize as a fête day May 1, the day chosen by the workmen of the entire world to formulate their rights.

1917: Sweden Accused

NEW YORK — An official report received by the Government states that enormous quantities of raw material for the manufacture of war implements are being sent from Sweden into Germany. The report also says that Sweden has exported to the Central Powers 200,000 tons of wood pulp, for the cellulose used to replace cotton in the manufacture of explo-

sives. She has offered the Allies unfavorable conditions for transport by rail and is retaining a large amount of tonnage in her ports.

1942: Vichy Accord?

MOSCOW — [From our New York edition:] The Moscow radio broadcast tonight [July 11] a dispatch by Tass, the official Soviet news agency, reporting "competent French sources" had declared that the Vichy government had agreed to give Germany control of all important war installations, railways and ports in unoccupied France. The dispatch said the Germans had agreed in return to transfer French government offices from their present seat in Vichy back to Paris. These sources were represented as saying the removal of the demarcation line between the occupied and unoccupied zones was part of the bargain. Tass said Pierre Laval also was reported to have granted the Germans permission to establish a naval commission at Tonkin.

مكتبة التراث



# A Collector's Enlightening Mistakes

**L**ONDON — Great collectors are invariably judged by the acumen of their perception and the courage they made. Yet, the quality of their mistakes can be just as enlightening. On Tuesday, Christie's sale of the tail-end of Ian Woodner's collection of Old Master drawings gave his peers a rare chance to measure the false hopes with which each collector, however brilliant, will delude himself at one time or another.

Woodner, the New York collector who died in 1990, was one of the genuine lovers of drawings in this century. An architect by



An uncertain Tjepolo, "Saint Fidelis of Sigmaringen," was not sold.

**SOUREN MELIKIAN**

training — he made a fortune in real estate — he was also a remarkable draftsman and pastel painter influenced by Turner and Redon, whom he collected passionately. Woodner knew at the tip of his fingers what drawing is about. This was both a strength and a weakness. Without this craftsman's sensitivity, Woodner would never have brought together the stunning group of early German drawings and 15th- and 16th-century Italian works that were acquired last year by the National Gallery in Washington.

His skills also allowed him to look at drawings that other collectors might have found too austere. Tuesday's sale included a study by Federico Zuccaro for his "Submission of the Emperor Frederick Barbarossa to Pope Alexander III." It looks like patchwork because the 16th-century master literally inserted here and there patches with corrections or improvements. To Woodner this was a gripping insight into the creative process at a time most of his peers would have blinked at the dark scribbled sheet. On Dec. 8, 1972, the collector had paid a mere £540 for it at Sotheby's in London. On Tuesday, the Zuccaro went up to £5,500 (\$10,450).

**W**OODNER'S sharp eye similarly allowed him to recognize a great drawing even when the name meant virtually nothing. A typical curiosity in Tuesday's sale was a French portrait of the 16th-century poet Julien Riquieur by another poet, Bernard, a friend of Ronsard. Bernard is known as a draftsman and painter but no portrait of his had ever been recorded. A poem by Bernard, written in a 16th-century hand, is addressed to Riquieur, firmly identifying both sinner and artist. The head of Riquieur is a gem of Clouet school portraiture. On Tuesday, it made £4,620, a vast amount for a small drawing by an almost unknown master.

The professional draftsman that Woodner was loved the first thoughts of his fellow artists of the past. The sketch of "A View of Delphi" by Claude Lorraine is a quick scribble in black chalk for some New Classical composition. Woodner bought it for \$4,400 in New York at Sotheby's on Jan. 16, 1985. He would have chuckled with delight at the £12,100 it made Tuesday.

But while his instant receptiveness to other draftsman's ideas allowed Woodner to buy

wonderful art that others might not recognize as promptly as he did, it could also induce him to take too generous a view of the works he looked at. With irresistible optimism, he would accept attributions that were, at best, conceivable. In the late 1960s and early 1970s, when still a beginner, he bought a great many drawings from William H. Schab of New York, whose pronouncements often turned out to be no more than wishful thinking. A fine drawing representing Saint Andrews draped in a rather monumental posture was thus bought by Woodner with a tentative attribution to Bartolomeo Montagna.

This would have made it a desirable late-artist of the past. The sketch of "A View of Delphi" by Claude Lorraine is a quick scribble in black chalk for some New Classical composition. Woodner bought it for \$4,400 in New York at Sotheby's on Jan. 16, 1985. He would have chuckled with delight at the £12,100 it made Tuesday.

But while his instant receptiveness to other draftsman's ideas allowed Woodner to buy

blown up out of proportion and then demote — no one will look at them. The would-be Montagna is, in fact, an archaic drawing by the Roman school artist Girolamo Siciolante da Sermoneta, who was active in the second half of the 16th century. Woodner was right to get that interesting drawing. The only problem is that he probably paid the price that a Montagna would have cost, i.e., considerably more than a Siciolante da Sermoneta would warrant.

A more subtle trap into which Woodner was paradoxically precipitated by his flair for fine draftsmanship is illustrated by the sketch of "Cain and Abel" which he bought from Schab again, as a Luca Cambiaso. In 1983-84, when it toured U.S. museums with the Woodner collection, it was still labeled Cambiaso. But on Tuesday, the catalogue entry read "Attributed to Luca Cambiaso." In auction-house speak, this means "obviously connected to Cambiaso and equally obviously not from his hand." Too elaborate to be by Cambiaso, who reduces human figures to geometrical constructions, it is well

worth the £5,800 it made on Tuesday. But as a Cambiaso, it would go for 10 times that amount.

Even more devastating financially is the downgrading from "Annabale Carracci" to Bartolomeo Cesi (1556-1629) of a forceful sketch in red chalk of a youth carrying sticks. On the back, a beautiful study of a veiled woman looking down with a smile of resignation, hands clasped, is irresistible. Sold Tuesday for £16,500 it would be worth between £150,000 and £250,000 if a Carracci.

**T**HEN there were those cases that will always leave a shred of doubt. A studying pen and brown ink of "Saint Fidelis of Sigmaringen" is catalogued as a Tjepolo. But as it came up, Noel Annesley, Christie's No. 2 who was conducting the auction and is a connoisseur of Italian drawings, announced that, according to the specialist George Knox, it "could well be a copy by Giovanni Raggi after a lost drawing by Tjepolo." The great drawing is one that would have appealed to Woodner with good reason. But the uncertainty killed it. The either-Tjepolo-or-Raggi was bought in at less than half its low estimate.

Perhaps the most subtle mistakes, if this is the word, that Woodner made because of his receptiveness to the draftsman's creative process are those that concern great masters and their technical approach. On June 15, 1990, Woodner, bidding through the French expert Bruno de Baryer, acquired at Drouot a drawing by Ingres. The preparatory study for "Opus and the Sphinx," lightly done in pencil, is superb. It cost Woodner 928,748 francs. But to anyone other than a professional artist, the squaring in this case is offputting. The drawing is a bit dry. Even though the finished painting in the Louvre, dated 1808, is important, the study went down unsold at £38,000, not even half the amount it cost Woodner two years earlier.

Add here and there a few outright faux pas often made by Woodner in his early years as collector. Of the three "Nicolas Lancret" he bought (all from Schab), only one survives with this label today.

None of this reduces the stature of Woodner as an outstanding collector and connoisseur. He loved drawings too much to bother to dismiss what he had bought simply because it turned out to be something different. Nor did he have the concern, often inspired by vanity, that drives some collectors to "weed out." They may thus reduce their holdings to museum-level perfection, projecting a flawless image of what they once yearned to own, but it hardly says anything about the meanderings of the collector's mind as he embarks on the journey full of surprises that any true collection is.

To quote De Baryer, "Whatever drawing you look at, you can see the reason he had for buying it." George Abrams, a Boston lawyer and collector of Old Master drawings, puts it differently: "He loved these drawings. He had great fun with them." This is the most appropriate epitaph for any collector, in any field, at any time.



Max Weber's kinetic abstract forms emerging in "Brooklyn Bridge" (1912).

## America's First Cubist

By Jo Ann Lewis  
Washington Post Service

**W**ASHINGTON — It is always said of the painter Max Weber (1881-1961) that he was a pioneering modernist. America's first Cubist. But rarely has an artist's struggle to forge an original style from the fast-flying innovations of giants like Picasso, Braque and Matisse been so vividly laid out before us as in "Max Weber: The Cubist Decade, 1910-1920," at the Corcoran Gallery of Art.

Born in Russia but raised, from age 10, in Brooklyn, Weber had already studied art education at New York's Pratt Institute and taught in Lynchburg, Virginia, and Duluth, Minnesota, before heading for Paris during the heady years from 1905 to 1909. It was then that Picasso hatched Cubism. Cézanne departed the earth and Matisse, having further liberated color from its descriptive role, could be engaged to give Saturday painting critiques to expatriate artists.

Electrified by his acquaintance with these and other innovators such as Robert Delaunay and Henri (Le Douanier) Rousseau, the 29-year-old Weber returned to New York with enough energy to propel him through the next decade. It also launched him immediately into the New York City art firmament, such as it was. He was soon (though briefly) exhibiting at 291, the pioneering gallery of photographer-dealer Alfred Stieglitz, where other modernists such as Arthur Dove, Marsden Hartley and John Marin also made their debut. But it was Weber who was mocked and derided by critics for championing the cause of advanced European art, a situation that persisted for years.

It didn't stop him, at least not in the 10 years following his return to New York, from 1910 to 1920, the decade under scrutiny in the 60 paintings and drawings assembled by the High Museum in Atlanta for this show.

From the start, we see him responding with tremendous verve to the surging waves of modern-

ism washing over him: A 1910 painting of a Congo statuette Weber brought back from France is an homage to Cézanne; a painting of two large, primitive nudes with almond eyes is a clear reference to Picasso's 1907 breakthrough Cubist painting "Les Femmes d'Alger."

A year later, in a monumental reclining nude, Weber, amusingly though masterfully, even managed to fuse Picassoesque forms with the expressive coloration of Matisse's "Blue Nude."

The Armory Show of 1913 (in which, miffed, Weber chose not to participate, due to the minor role offered him), Italian Futurism — and Marcel Duchamp's "Nude Descending a Staircase" — had profound impacts on Weber's art, and proved to be galvanizing forces.

Taking Cubism one step further, the Futurist style conveyed a sense of motion and speed by the rapid repetition of abstracted forms. It also proved the perfect vehicle for capturing the accelerating pace of New York itself, with its new skyscrapers, bridges, elevated trains, automobiles and neon signs.

**J**OSEPH Stella, Abraham Walkowitz and others were similarly inspired over the next decade. Whoever was first (the point is not clear), Weber began a series of Cubist Futurist New York paintings that unarguably stand among the finest produced at the time.

He reached the pinnacle, perhaps the pinnacle of his entire career, in "Rush Hour, New York," a work that virtually throbs with spiky, bristling abstract forms. And "Chinese Restaurant," a fine abstraction from 1915, which reflects Weber's mastery of a later form of Cubism.

In 1916, as World War I raged, European modernism lost its frontier status, and Weber's work visibly begins to flag at the end of this show, although he lived and worked for another 40 years.

The exhibition will continue at the Corcoran through Aug. 9 before traveling to Buffalo, Brooklyn and Los Angeles.

## In a Tough Auction Market, Only the Very Best Sells

**L**ONDON — Increasing contrasts are being observed by the day between the very desirable and the passable. If overestimated, however slightly, art that is good and no more, simply won't sell.

This took an extreme form on Thursday at Sotheby's, where the auction of "European Sculpture and Works of Art" came close to turning into a disaster, with 107 out of 230 lots offered in the morning failing to find buyers. But in that very session Sotheby's also recorded some big successes with two remarkable works from the early Middle Ages, each of comparable rarity in its category.

One is an extraordinary ivory plaque from Germany carved in

the second half of the 11th century in Cologne. Three gems depict the Crucifixion, the Ascension and Jesus as the Savior Mundi. It once formed part of a book cover and has been attributed to the same artist who executed a Crucifixion relief on the book commissioned by the abbot Theophanu of Essen (1039-1056). The cover is preserved in the treasury of the Essen cathedral.

A dark band across the plaque and some whitening slightly disfigure the object, which is otherwise of extraordinary beauty. A bidding contest pitched Rainer Zietz of London against the German dealer Albrecht Neuhaus, who came out on top to the tune of £309,000 (about \$580,000).

The other sensation was a piece

of English jewelry datable to the 13th century. Sapphires are mounted in a delicately wrought gold. The piece is probably not a clasp, as stated in Sotheby's catalogue. According to Marion Campbell of the Victoria and Albert Museum, it was a jewel meant to be attached vertically like a pendant.

Hitherto unpublished, which is curious if the piece was not ex-

hibited, it is unique in English jewelry history. According to trade sources, it was bought some time ago for about £100, resold later in the area of £1,000 and eventually consigned to Sotheby's.

Whatever the case, it seems to have its natural place in a national museum. Wartski's of London, acting on behalf of the Victoria and

Albert Museum, were the underbidders. The object was knocked down to Zietz, one of the great connoisseurs of medieval and Renaissance art in the London-based trade. The price was £30,800 — which hardly seems unmanageable for an object of national interest.

Souren Melikian

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**Sotheby's sells Rembrandt for £4 million**

Over the past 10 years only four major Rembrandts have been offered for sale at auction.

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Two were not — and didn't.

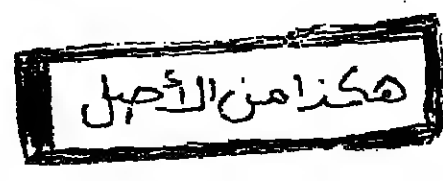
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ECONOMIC SCENE

What Does the World Really Need From Japan?

By Peter Passell

THIS ECONOMIC NEWS just in from Munich: Leaders of the industrial powers have affirmed, in principle, their support for open trade, stable growth and aid for the former Soviet Union. Wait, don't turn to the cross-word puzzle. While the gathering in Germany was a smoozer—economic summit meetings are convened to reassure, not entertain—some of the subjects conspicuously not on the agenda are very interesting indeed.

Surely nontopic A was Japan, or more precisely, the contradictions between what the world says it wants from Asia's economic colossus and what it really needs.

President George Bush's pre-election beef with Japan is the U.S. trade deficit. And no wonder: After a few years of narrowing, Japan's global surplus of exports over imports is heading for a record \$135 billion. The trade gap with the United States alone is creeping back toward \$50 billion.

These numbers do not surprise Gary Saxonhouse, an economist at the University of Michigan. "We're coming out of a recession," he notes, "while they're going in." As a result, foreign demand for Japanese goods is stronger than Japan's demand for imports.

Nor is there surprise at the fiscal remedy prescribed by the White House and seconded by the European powers. A kick in government domestic spending by Japan would help suck in imports, as well as create demand at home for Japanese goods that might otherwise have been shipped to Pittsburgh or Paris. And by all accounts, Kiichi Miyazawa, Japan's economics-savvy prime minister, is eager to oblige: the \$50 billion public-works package that he showed off at Munich should add a percentage point or two to Japan's growth rate.

So far, so good; idle productive capacity in Japan serves no one's interest. But the same is not necessarily true for the rest of the economic prescription being pressed on Japan.

TAKE THAT pesky bilateral trade deficit. While American politicians have grown accustomed to measuring the health of the economic relationship with Japan by the size of the deficit, John Taylor, a White House economist who recently returned to Stanford University, acknowledges that a bilateral balance in trade would be neither practical nor especially desirable. Energy-poor Japan is bound to run a deficit with oil exporters, he notes, and is thus prone to running surpluses with industrial partners.

Of course, some American exporters—notably rice farmers—would benefit from an opening of the Japanese market.

Robert Z. Lawrence, an economist at Harvard's Kennedy School, wonders whether even these modest gains to some American exporters would lead to an overall reduction in Japan's monster trade surplus.

An economy's balance on external accounts, he points out, is by definition the difference between domestic savings and domestic investment; if neither changes, the only way Japan can import more is to export more. Thus the only way to placate foreign critics, whose real concern is Japanese competition in their home markets, is to persuade the Japanese to save less or invest more at home.

That logic has not been lost on the United States. Indeed, John Taylor was in charge of nagging the Japanese to act more like Americans, to invest more in public amenities and to give Japan's overworked, underhoused "salarymen" a taste of the good life. "And he can point to at least one important victory: the repeal of retaining laws that had made price discounting and Western-style chain merchandising almost impossible."

But Mr. Lawrence does not "have a lot of faith" that outsiders can alter the Japanese inclination to delay gratification. More important, he says many other economists wonder whether it is really in the West's interest to interfere with Japanese thrift.

Balanced trade would be neither practical nor especially desirable.

India Aide Quits In Stock Scandal

Compiled by Our Staff From Dispatches

NEW DELHI — The Indian commerce minister, who helped push through measures to open up the country's economy, resigned Friday after disclosing investments in a company linked to the securities scandal that has forced the closure of stock exchanges.

The resignation of Commerce Minister Palaniappan Chidambaram, one of the three architects of economic liberalization, was accepted by President Ramaswamy Venkataraman on Thursday night, a spokesman for the president's office said.

Mr. Chidambaram, a Harvard-educated champion of economic reform, disclosed that he and his wife had invested 150,000 rupees (\$5,250) in Fairgrowth Financial Services Ltd., one of the companies being investigated in the \$1 billion scandal, and a further 100,000 rupees in the equity of other companies through it.

He said the transaction was carried out in September 1991, long before the scandal came to light. But he offered his resignation to save the ruling minority government embarrassment in parliament, where it faces a no-confidence motion next week.

Prime Minister P.V. Narasimha Rao, who has asked all members of his cabinet and junior ministers to assure him that they are not involved in the scandal, accepted the resignation.

Mr. Chidambaram so far is the only minister to quit, although there have been vocal demands from the opposition that Finance Minister Manmohan Singh resign in the wake of the scandal.

The government has also agreed to a joint parliamentary investigation into links between Indian and foreign banks and stock brokers.

Brokers, meanwhile, continued a boycott of the New Delhi, Calcutta and Madras stock exchanges for the fifth day running on Friday; their colleagues have refused to trade for four weeks in Bombay.

The government has blacklisted 44 companies and individuals for diverting bank funds to speculate on the stock market and ordered the seizure of assets, including shares listed in their names.

A total of 31.92 billion rupees-worth of transactions between banks and financial institutions either was not backed by securities or was backed by fraudulent securities, government investigators have said.

Fairgrowth received 2.4 billion rupees from a subsidiary of the state-owned Andhra Bank, while handling over securities worth only 1.35 billion rupees, the Reserve Bank of India has said. It said the balance was covered by allegedly forged documents testifying to the ownership of securities.

The money was used to play on the then-booming Bombay Stock Exchange in "flagrant and deliberate violation of established and guidelines," according to the government.

Mr. Chidambaram said he and his wife were not aware of the company's actions. "My wife had no reason to suspect any wrongdoing," he said. "In fact, if FWSL had done anything wrong, we may stand to lose our investments."

O & Y Loss Grows to \$1.76 Billion

Compiled by Our Staff From Dispatches

NEW YORK — Olympia & York Developments Ltd. reported Friday a \$1.76 billion loss for its 1992 financial year, more than five times the \$301 million loss of a year earlier and a reflection of how the leading real-estate developer's condition has worsened.

The publicly disclosed numbers offered some of the most detailed assessments to date of Olympia & York's books, which were once considered so secret that even many of its bankers could not look at them. The company sought court protection from its creditors in May; at the time analysts estimated its debts at about \$1.2 billion.

Olympia & York reported total assets of \$18.52 billion for its 1992 financial year, down about \$2 billion from the year earlier. Liabilities totaled \$17.6 billion, but accounting adjustments made them equivalent to the value of total assets.

The numbers were contained in the developer's audited financial statements, released as part of Olympia & York's bankruptcy case in Toronto, O & Y's headquarters.

Olympia & York said it took write-downs of \$1.2 billion related to huge losses in its property and securities holdings.

But the company did not take any charges in the latest financial year for the huge Canary Wharf project in London. O & Y sought court

protection from creditors for the troubled East London project in May.

The company's financial statements showed that for the time being, it is valuing Canary Wharf at \$3 billion, unchanged from the previous year. However, the company's accountants, Price Waterhouse, warned in an auditor's report accompanying the statement that "in our opinion, the value of the development has been materially impaired."

Even without the write-downs, O & Y said it would have reported an operating loss of \$338 million for the financial year that ended Jan. 31, 1992, compared with a income of \$172 million the year earlier.

"Clearly, the O & Y current financial status is very difficult," said Gerald Greenwald, O & Y's president, in a cover letter for the annual statements.

The privately owned developer is the leading commercial landlord in New York and has large holdings in London, Toronto and other cities. Its heavy debts and deteriorating ability to finance them have emerged as the biggest drama in the depressed global real estate market of the 1990s.

Mr. Greenwald repeated the company's assertion that the losses did not reflect what the company believed to be its real assets: a strong presence in the office space market of New York, Toronto and London.

Among the major components of the write-downs was the company's devaluation, by \$464 million, of some real estate holdings in the United States, Canada and in shares in some real estate affiliates. The company also reported one-time operational charges of \$232 million.

O & Y said it took a total \$608 million write-down on its investments in Campana Corp., Dow Camdev Corp.; GWU Holdings; Santa Fe Energy Resources Inc.; and Trilon Financial Corp.

The write-down on O & Y's holdings in Abitibi-Price Inc., a forest-products company, and Griff Canada Resources Ltd., an oil and gas company, totaled \$169 million.

Turning to the future, Mr. Greenwald said the company planned to create an investor group to inject the capital necessary to complete Canary Wharf, which is just ending its first phase of construction. In addition, it will continue to craft a plan to restructure \$7 billion in debts related to its Canadian companies and properties.

Mr. Greenwald said he believed O & Y's properties would eventually regain value. He added that the ongoing appraisal value of O & Y's completed office buildings and other properties was \$1.93 billion above the depreciated book value listed in its financial statements.

(AP, Reuters, Bloomberg)

McDonnell to Slash More Jobs U.S. Prices Post Mild June Rise

Compiled by Our Staff From Dispatches

CHICAGO — McDonnell Douglas Corp. said Friday that it expected to cut its work force by up to 5,000 this year.

Robert Hood, president of Douglas Aircraft Co., said in a letter to employees that the unit anticipated "between 4,000 and 5,000 further layoffs this year."

He said that about half of the cuts would come in direct, or manufacturing, functions, while the rest would come in "indirect" functions, which are support and administrative jobs.

Mr. Hood added that the company had to lower expenses "to be better aligned with the expected lower revenues which are the result of the prolonged slump in the airline industry."

At the end of June, Douglas Aircraft employed 36,000 people. At its peak, in the spring of 1990, the unit had 52,000 on its payroll.

Earlier this week, McDonnell Douglas said 20,000 aerospace industry workers and an additional 20,000 related service workers would be laid off by early next year if the U.S. government did not approve a proposed sale of 72 F-15 jet fighters to Saudi Arabia by the end of the summer.

In his letter to employees, Mr. Hood said negotiations on a partnership with Taiwan were continuing and that the company was making "progress in our talks with other potential partners."

Mr. Hood also reiterated that McDonnell Douglas remained committed to Douglas Aircraft, in spite of published reports to the contrary quoting Wall Street analysts.

Mr. Hood said McDonnell Douglas had weathered previous downturns in the industry and was "prepared to weather this one as well."

(Reuters, UPI)

U.S. Prices Post Mild June Rise

Compiled by Our Staff From Dispatches

WASHINGTON — U.S. wholesale sale prices rose a moderate 0.2 percent in June, the government reported Friday, as the sluggish economy continued to put a damper on inflation.

Excluding volatile food and energy prices, the so-called core rate of inflation fell slightly, easing 0.1 percent last month after jumping 0.6 percent in May. It was the first decline in the core rate since February 1987.

Falls in the prices of some products, including tobacco and new cars, helped to keep price pressures under control, the Labor Department said. But energy prices posted their biggest jump in 20 months, and food prices also rose.

The June gain in the index used to compute wholesale prices followed a 0.4 percent increase in May and was in line with economists' forecasts.

During the first half of this year the index, which measures prices charged by producers of finished goods, has advanced by 2 percent compared with a 1.2 percent rise during the final six months of 1991.

Responding to an unexpected jump in the jobless rate in June, the Federal Reserve last week slashed its key discount rate to 3 percent the lowest level in 29 years.

Tame inflation has enabled the central bank to cut interest rates without adding to price pressures. Economists agree that the sluggish economic recovery has put a damper on inflation by discouraging manufacturers and other producers from boosting prices.

"I don't think anyone thinks there's much of an inflation threat for the next six months or year at least," said Chiquita Latta, an economist at DRI/McGraw-Hill in Lexington, Massachusetts.

(Reuters, Bloomberg)

Investors Flee as Banana War Flattens Growers

By Eben Shapiro

New York Times Service

NEW YORK — Call it the great banana war of 1992. It broke out when the European market did not open as expected, saddling the big growers, newly expanded for the cause, with surpluses.

Prices in Europe — and to a lesser degree in the United States — dropped, along with the profits of the big brand companies like Dole, Monte, Dole and Chiquita.

Investors have stamped out of fruit stocks.

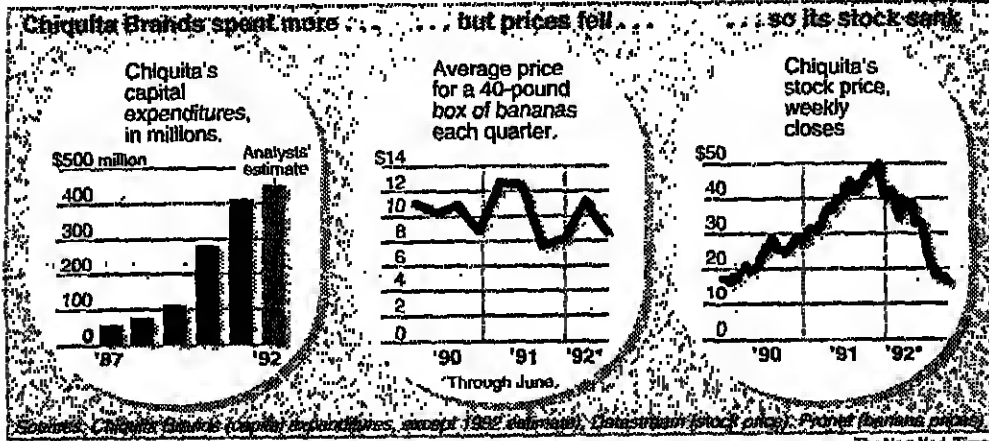
As the world's biggest banana marketer and the only one of the Big Three that relies on bananas for its fortunes, Chiquita Brands International has been kicked hardest.

While the stock price of Dole Foods, the other large American public company with banana operations, has dropped to trade at \$27.375 on Friday, from a high of \$48 last year, Chiquita's stock price has plunged to \$15.875 from a high of \$50.75 last year. That brings the company's stock price below its year-end book value of \$19.39 a share.

Chiquita's hard knocks show the difficulty of dressing up what is essentially a commodity food as a premium brand.

The Cincinnati-based company spends about \$20 million a year on television and magazine advertising to convince shoppers, grocers and its stockholders that bananas blessed with the Chiquita seal are somehow worth more than the others.

But a banana is just a banana. "Nobody has been successful at putting a brand name on a perishable commodity," said Michael



Kennedy, an analyst at IDS Financial Services Inc. in Minneapolis. "They always say, 'This time it's going to be different.'"

Not even the company's Carmen Miranda-esque logo protected Chiquita from having to sell its bananas at prices within pennies of the lowest on the pier.

"Sometimes the premium is pretty narrow," said David Diver, vice president for produce at Hanna-

ford Brothers, a supermarket chain in Portland, Maine.

Industry executives disagree somewhat about the reason for the weak prices.

Dole, which is cushioned because of its operations in other fresh fruits and in real estate and packaged goods, blamed the "high volumes of shipments in the banana industry, which have depressed prices worldwide," for a 25 percent decline in second-quarter profits.

Financed in part with the proceeds from public offerings that raised \$474 million, Chiquita aggressively stepped up spending on land, production operations and freighters a few years ago, investing \$282 million in 1990 and more than \$400 million last year. In the 1980s, it typically spent between \$30 million to \$75 million a year.

Chiquita is by no means stopping investment. It will spend more

See BANANAS, Page 11

CURRENCY RATES

Table with columns for Currency, Per \$, and various international rates including British Pound, Swiss Franc, Japanese Yen, etc.

Other Dollar Values

Table with columns for Currency, Per \$, and values for various currencies like Australian Dollar, Canadian Dollar, etc.

INTEREST RATES

Table with columns for Term, Rate, and interest rates for various terms like 1 month, 3 months, 6 months, 1 year.

Key Money Rates

Table with columns for Instrument, Rate, and key money market rates like 3-month Treasury bill, 1-year Treasury bill, etc.

Asian Dollar Deposits

Table with columns for Term, Rate, and Asian dollar deposit rates for 1 month, 3 months, 6 months, 1 year.

U.S. Money Market Funds

Table with columns for Fund Name, Yield, and U.S. money market fund yields.

GOLD

Table with columns for Location, Price, and gold prices in various locations like London, New York, etc.

U.S. Elections Generally Good for Stocks

By Floyd Norris

New York Times Service

NEW YORK — Buy U.S. stocks, unless you think Ross Perot is going to be so strong as to upset the apple cart and significantly affect the election. Or unless you think a new recession will have begun by Election Day.

That, at any rate, is one way to read the history of the stock market and presidential election campaigns in the United States, there has been no better time to own stocks than in the last half of an election year.

On average since 1900, the Dow Jones Industrial average has risen 10.4 percent during such periods.

But third-party candidates have played an important role in two of the four elections when stock prices ignored the usual trend, and recessions have been present during the other two.

So it could be argued that this year, with both factors at least possibly at work, is unlikely to be a normal election year.

In 1912, the only election in the past century in which the Democratic and Republican candidates did not take the top two spots in the presidential popular-vote totals, the Dow fell 3.4 percent.

In that year, Theodore Roosevelt ran as an independent, splitting the Republican party and finishing second to Woodrow Wilson.

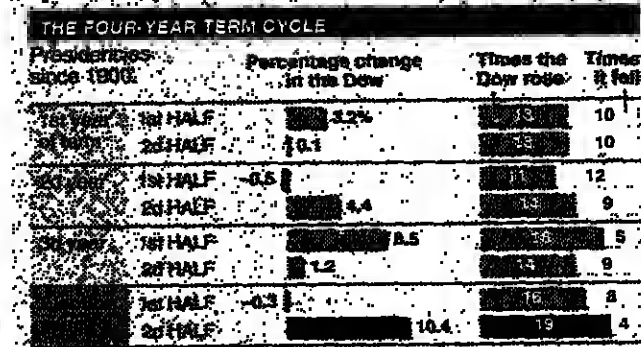
In 1948, Strom Thurmond was the candidate of breakaway southern Democrats and Henry Wallace the candidate of disaffected liberals, making it obvious to virtually all observers that President Harry Truman had no chance to win the election.

But he did, and the stock market ended the second half of the year down 6.4 percent, all of it coming after the surprising election results.

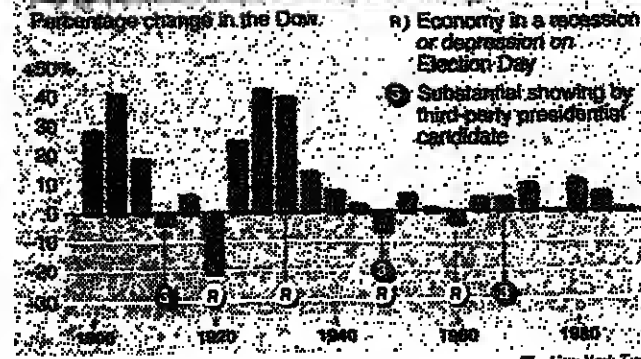
One explanation for the general strong tendency for stock prices during election years is that short prices react to economic trends and that while governments always care

The Dow Election Guide

Pattern of the Dow Jones Industrial average's ups and downs relative to presidential elections.



Percentage change in the Dow.



Percentage change in the Dow.

Legend: a) Economy in a recession or depression on Election Day; b) Substantial showing by third-party presidential candidate.

about the economy, they care most during the months when the public has a right to change governments.

And presidents have generally done a reasonably good job of arranging to have the economy growing during elections.

Indeed, in 1920 and 1960, the other election years in which stock prices dropped in the second half, the economy was officially in recession at the time of the vote.

In both years, the incumbent party was thrown out. In 1932,

unemployment rate rose to 7.8 percent in June has increased talk of a "triple-dip" recession.

Whether a third-party candidacy will seem serious in November is not always clear in July, and the stock market has done fine when some insurgent candidacies have fizzled.

In 1980, John Anderson looked like a possibly serious candidate to some observers, but he faded by November and the Dow was up 11.1 percent in the final six months of the year.

And in 1968, George Wallace never seemed like a winner, but he did win 46 electoral votes, and for a time there was talk about the election being thrown into the House of Representatives, as happens if no candidate wins a majority of electoral votes. But the Dow went up 5.1 percent during the final half of 1968.

Another way to look at the presidential election campaign stock markets is to assume that investors and voters are, in general, the same people. And since the majority of voters get their way every four years, perhaps it stands to reason that investors would also be happier about the future when they were being given the option to change it.

The stock market has reacted much better in years when Republican candidates won than in years when Democrats prevailed.

Stocks have risen during the final six months of 12 of the 13 election years that the Republican candidate won, for an average move of 13.7 percent.

But they have gained in just seven of the 10 years when a Democrat won, by an average of 6.2 percent.

As for this year, the Dow ended June at 3,318.52. Through Thursday, it is up 0.2 percent. If this proves an average presidential election year, presumably with the Perot candidacy fading, the Dow will end the year up 10.4 percent, at 3,654.

But last week's report that the

Greasing the Party Wheels

New York Times Service

WASHINGTON — Wall Street and the oil and gas industries have been the largest contributors to the Democratic and Republican parties in the current election cycle, followed by the insurance, tobacco and real estate industries, according to a study published Friday.

The study, by the Center for Responsive Politics, a nonpartisan research group in Washington, provides the first detailed breakdown of the sources of more than \$43 million in contributions that have flowed to the parties from January 1991 through the end of May this year. Its conclusions confirmed that the most heavily regulated corporations were the most generous.

Based on filings with the Federal Election Commission, the study found that the lion's share of contributions came from companies that were able to make donations to the parties with no restrictions, circumventing federal limitations on direct contributions by corporations to candidates.

The single largest contributor has been Archer-Daniels-Midland

See PARTIES, Page 10

Advertisement for 'SALE OF LUXURY HOTEL COMPLEX IN MAURITIUS (INDIAN OCEAN)' featuring The Mariya Hotel and Resort, 231 rooms, 60 m² with 600 m beach, 3 restaurants, and contact information for De Chazal Du Meil.



MARKET DIARY

Rate Hopes Give Fresh Lift to Dow

Compiled by Our Staff From Dispatches NEW YORK — U.S. stock prices climbed on Friday after the government said inflation was not heating up, but a slump in government bonds subdued the equity market's gains.

Pockets of strength in some banking, financial-services, retailing and technology stocks helped Wall Street extend its rally, but volume slumped as investor caution continued to prevail.

The Dow Jones industrial average rose 6.48 points to 3,330.56. J.P. Morgan, Caterpillar and McDonald's accounted for all of the gain. For the week, the index was virtually unchanged — up just 0.27 of a point. Broader indices and secondary markets also gained.

Advancers led decliners by a margin of 4 to 3 on the New York Stock Exchange. Volume of 1.65 billion shares was the lowest in almost three weeks.

Producer prices rose 0.2 percent in June, and fell 0.1 percent excluding food and energy, the first decline in more than 5 years.

"There are no inflationary pressures right now," said Richard Cardullo, director of trading at Eagle Asset Management. "Even though the bonds are down, there's still a perception the Fed has further room to ease."

Stocks were whipsawed as Treasury bonds retreated from an initial rally amid concerns that the recent rally may be peaking and that inflation may not be abating as quickly as the PPI report suggested, analysts said.

"Investors are stuck in the same box," said Robert Caputo, director of research at Swiss Bank Corp. investment banking Inc. "On one side, they're forced into the equity market because of the low competitive return on other instruments, on the other hand, they're quite fearful there's not enough momentum to carry stocks higher."

Teléfonos de México jumped 1 1/4 to 45 1/4, topping the volume list of the Big Board.

Citicorp, the fourth most active stock, rose 1/4 to 2 1/4, and Wells Fargo jumped 2 1/2 to 15 1/2 after Lehman Brothers boosted its rating of Citicorp to "buy" and Wells to "outperform."

Boeing slipped 3/4 to 39 1/4 in a continued reaction to its loss of a United Airlines order to Airbus Industrie and a lowering by Lehman Brothers of its rating to "neutral."

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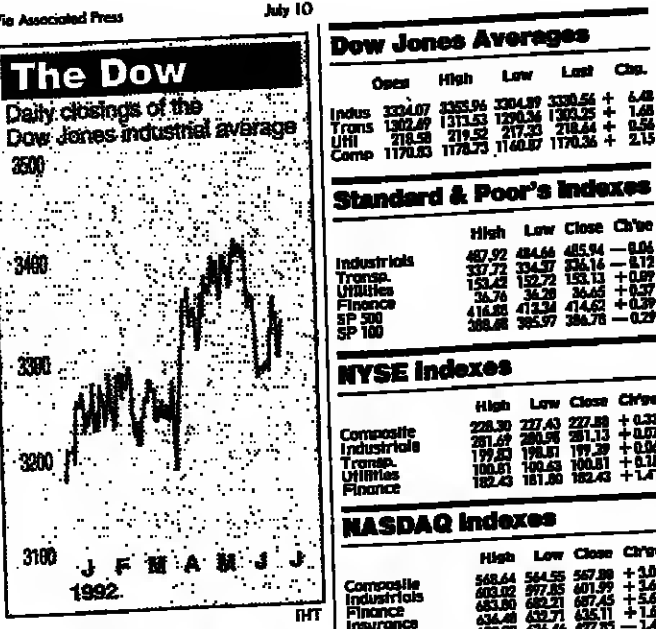


Table with columns: Vol., High, Low, Last, Chg. for NYSE Most Actives. Lists top trading stocks like IBM, Microsoft, and Intel.

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Table titled 'Dow Jones Averages' showing High, Low, Last, and Change for various indices like S&P 500, NYSE, and AMEX.

Table titled 'Standard & Poor's Indexes' showing High, Low, Last, and Change for various market segments.

Table titled 'NYSE Indexes' showing High, Low, Last, and Change for various market segments.

Table titled 'NASDAQ Indexes' showing High, Low, Last, and Change for various market segments.

Table titled 'AMEX Stock Index' showing High, Low, Last, and Change for various market segments.

Table titled 'Dow Jones Bond Averages' showing High, Low, Last, and Change for various bond indices.

Table titled 'Market Sales' showing volume and change for various market segments.

Table titled 'N.Y.S.E. Odd-Lot Trading' showing volume and change for odd-lot trading.

Table titled 'S&P 100 Index Options' showing volume and change for S&P 100 index options.

Table titled 'NYSE Diary' showing volume and change for various stock categories.

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Keating Faces Damages

TUCSON (AP) — A federal jury awarded at least \$2.1 billion in damages on Friday against Charles Keating Jr. and three co-defendants for swindling thousands of elderly and other sav-

The jury deliberated for nearly eight days over two weeks, capping a civil fraud trial in which more than 20,000 class-action plaintiffs claimed losses of \$288.7 million and sued for \$1.2 billion under federal and Arizona racketeering statutes.

It determined that Conti Continental Inc. had helped and conspired with Mr. Keating, officers and directors in his American Continental Corp. and its subsidiary to mislead regulators and keep his savings and loan afloat by continued sales of junk bonds.

Mr. Keating, 68, is serving a California prison term stemming from the bond sales.

Continental Creditors Back Maxxam

NEW YORK (Reuters) — Continental Airlines' court-appointed creditors committee said Friday it supported a plan to finance the reorganization of the airline put forward by an investment group led by Maxxam Inc.

Maxxam Inc. and Continental said they had a preliminary agreement under which a group led by Maxxam would invest \$350 million in the troubled U.S. carrier. The proposal still must be approved by the bankruptcy court and is subject to higher and better offers, the creditors said in a statement.

Fixed Mortgages Lowest Since '73

WASHINGTON (AP) — U.S. mortgage rates fell to a 19-year low this week after the Federal Reserve pushed down interest rates in an effort to revive the flagging economic recovery.

The Federal Home Loan Mortgage Corp. said Friday the average rate on 30-year, fixed-rate mortgages dropped to 8.13 percent, down from 8.29 percent the week before and 8.48 percent two weeks earlier. It was the lowest average since July 1973.

An economist said the drop, which mirrors the fall of long-term rates in the bond market, should breathe added life into the housing market and revive a boom in mortgage refinancing which waned this year after rates bottomed in mid-January.

For the Record

Microsoft Corp. and Apple Computer Inc. said they would introduce new products and collaboration on technology July 13. (Reuters)

CPC International Inc. said lower financing costs and growth in Latin America contributed to a 9 percent increase in second-quarter profit, to \$113.2 million, from \$103.8 million. Sales grew 2 percent in the period, which ended June 30, to \$1.67 billion. (AP)

PARTIES: Corporate Support

(Continued from first finance page) The study found that securities and investment firms had contributed at least \$3.15 million; oil and gas, \$3.12 million; insurance, \$2.12 million; tobacco, \$1.89 million; and real estate, \$1.59 million.

It also reported that the largest corporate and individual contributions on Wall Street came from Merrill Lynch & Co., Goldman Sachs & Co., and Morgan Stanley & Co.

Wholesale Prices Send Dollar Falling Again

U.S. producer prices rose 0.2 percent overall in June but fell 0.1 percent in the core rate, excluding food and energy. It was the first drop in the core rate since February 1987.

"Today's figures simply served to keep alive the speculation of another Fed easing," said Jeremy Hawkins, senior economic adviser at Bank of America in London.

Just over a week ago the Fed cut its discount rate by one-half point to 3 percent, the lowest since 1963, to aid the economy.

At the same time, there is speculation that the Bundesbank may tighten German monetary policy next week, not by directly raising interest rates but by a more subtle measure, such as raising discount quotas it offers to banks.

Such a move would only widen the more than 6 percentage point edge in short-term interest rates that the mark enjoys over the dollar.

The dollar also fell to 1.3530 Swiss francs and 5.0415 French francs, from 1.3667 and 5.1005. The pound rose to \$1.9225, from \$1.9000.

In London earlier, the dollar fell to 1.4968 DM from 1.5080 on Thursday. It edged up to 125.45 yen from 125.27.

The mark rose to 83.73 yen from 83.10 Thursday.

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Dunkel to Remain at GATT

GENEVA — Arthur Dunkel, the head of the General Agreement on Tariffs and Trade, is expected to stay in office until next July to try to wrap up long-overdue trade-liberalization talks.

Dunkel has been asked to extend his contract by six months to try to push the Uruguay Round of talks to a successful conclusion. A formal announcement will be made Tuesday.

The Uruguay Round, the most ambitious attempt ever to lower barriers to world trade, should have ended in December 1990. The negotiations have been stalled because the European Community has refused to agree to the level of farm-subsidy cuts demanded by the United States and other food-exporting nations. Mr. Dunkel, a Swiss diplomat, has become closely identified with the Uruguay Round.

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U.S. FUTURES

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Table titled 'Livestock' showing prices for Cattle, Hogs, and Poultry.

Table titled 'Metals' showing prices for Gold, Silver, and Copper.

Table titled 'Energy' showing prices for Oil, Gas, and Coal.

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# Airbus Deal With United Threatens To Reopen EC-U.S. Subsidy Dispute

PARIS — Airbus Industrie's blockbuster deal to lease up to 100 A-320s to United Airlines is showing signs of reviving a dispute over aircraft subsidies between the European Community and the United States.

Some industry analysts have speculated that the order may call into question an April 1 accord between Brussels and Washington that sets a 30 to 35 percent cap on government funding for airplane development.

An Airbus spokesman declined to comment when asked if the sale would reopen the subsidy dispute, although he reiterated the consortium's longstanding position that its government development aid is refundable and does not represent a subsidy.

"An agreement was reached in the spring between the EC and the U.S. negotiators on the issue," he said. "It is not up to us whether or not the issue is reopened, she added.

United's parent, UAL Corp., said Wednesday it would lease 50 A-320s and take options on another 50. The order was Airbus's first with United, and it was a bitter pill for Boeing Co. to swallow given that United is its biggest U.S. client.

Boeing has suggested that Airbus, a consortium made up of two state-owned and two publicly traded European companies, was able to undercut it because Airbus is not a private company.

"We're responsible to shareholders and our employees for the long-term success of Boeing Co., therefore we went as far as prudence would dictate," a Boeing spokesman said. "Obviously Airbus could do more," said another spokesman.

Although analysts said the A-320 had many technical advantages over Boeing's 737-400, they suggested that Airbus won the order partly because it gave unusually generous financing terms, a view UAL seemed to echo.

There is a very substantial overhang of A-320s, particularly of the V-2500 type, in the market," said Paul Nisbet, an aerospace analyst with Prudential Securities Inc. United's planes will be equipped with V-2500 engines, built by a consortium led by Pratt & Whitney and Rolls-Royce PLC.

"It was better to take this deal at no profit, or perhaps a small loss, than not at all," said Sandy Morris of County Natwest.

An Airbus spokesman said on Wednesday that the financing did not include any government involvement and the overall structure of the deal is similar to Boeing's proposal.

A U.S. congressman, Rod Chandler, appealed on Thursday to the U.S. trade representative, Carla A. Hills, to order an immediate investigation into the conditions offered by Airbus. Mr. Chandler issued a letter in which he said Mrs. Hills had assured him that the government would immediately begin an investigation of the Airbus bid.

The Airbus spokesman restated the consortium's position that its partners received refundable launch aid from their governments but that this did not constitute subsidies.

She said Airbus partners paid back \$1.8 billion in such aid through 1991 and expected to repay \$700 million more this year.

"In addition to repayment, they receive a kind of royalty," she added, "which means that this eventually provides a profit to the governments."

The Airbus partners are Aerospaciale de France, British Aerospace PLC, Construcciones Aeronauticas SA of Spain and the Deutsche Airbus unit of Germany's Daimler-Benz AG.

Boeing's stock, which has slumped since the Airbus deal was announced, slipped anew on Friday amid reports that Lehman Brothers had downgraded its rating on the stock to "neutral" from "buy."

The Lehman analyst who follows Boeing declined to comment. Boeing shares were off 50 cents at \$39.50 in early afternoon trading. They stood at \$41.25 before the Airbus deal.

# EC Targets 3 Asian Dragons

By Andrew Rosenbaum  
Special to the Herald Tribune

BRUSSELS — South Korea, Hong Kong and Singapore appear likely to lose their long-enjoyed preferential trade status in the European Community, consultants and analysts say.

Under a 28-year-old UN program, the fast-growing Asian economies are classified as developing nations and thus are able to export duty-free to the Community goods such as electronic components, televisions and other consumer products.

Now, however, Brussels has quietly undertaken "the most extensive review of the program the Commission has ever made," according to John DeNeumann, an official at the EC Directorate General 21, the administrative arm in charge of trade. A decision on whether to abandon the special status is expected within a month.

"It is most likely they will lose the preferential status," said Alisdair Geater, a lawyer and consultant in EC affairs.

The change is expected to have a significant effect on the Asian economies, although economists said it was difficult to quantify.

"Europe is an important market for these countries," said Wendy Niffkeer, an economist with James Capel & Co. in London. "It should be quite negative."

The move also could mean substantial benefits for Korea's troubled electronics industry. South Korea alone exports \$825 million worth of goods to the Community annually, much of them in the electronics industry, according to the Organization for Economic Cooperation and Development.

There have been increasing complaints from European electronics manufacturers about South Korea's preferential status.

Companies like Samsung are able to export, for example, unlimited amounts of computer memory boards to Europe without paying the usual 4 percent tariff on them. Europe produces less than one-third of the computer memory boards it requires.

"As a result, Korean companies have been able to gain a leading position in the market," said Byron Harding, an electronics industry analyst with Dataquest Ltd. in London. "These companies already have a considerable cost advantage over European producers," he said. "Making them pay the tariff would bring them into line with European producers."

The Asian nations enjoy their status under the Generalized System of Preferences, an accord negotiated by the United Nations Conference on Trade and Development under which industrialized nations remove all tariffs and duties on certain products from designated developing nations.

Although the U.S. withdrew GSP status from the fast-growing Southeast Asian economies of South Korea, Taiwan, Hong Kong and Singapore in 1989, the Community has been slower to react.

"GSP was intended to help the least-developed countries, but it hasn't worked out that way," said Marcus Noland, an economist with the Institute for International Economics in Washington. The 10 beneficiary countries with the largest economies have shared 70 percent of the GSP advantages afforded by the Community.

The EC Commission has made a proposal to GSP to remove ceilings on imports from beneficiary countries while changing the preferential status of well-developed economies. South Korea, Singapore and Hong Kong are expected to lose these benefits in the coming review, analysts say.

The Community has made a similar proposal regarding the benefits these countries enjoy under the General Agreement on Tariffs and Trade.

Separately, the Commission is currently considering anti-dumping measures for South Korea manufacturers of dynamic random-access memories, or D-RAMs.

# Investor's Europe

Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	122.00	120.40	+1.33
Brussels	Stock Index	5,805.76	5,775.33	+0.53
Frankfurt	DAX	1,754.48	1,757.84	-0.18
Frankfurt	FAZ	893.85	894.50	-0.09
Helsinki	HEX	744.32	738.51	+1.06
London	Financial Times 30	1,903.70	1,913.90	-0.53
London	FTSE 100	2,490.80	2,497.90	-0.28
Madrid	General Index	235.70	235.92	-0.09
Milan	MB	868.00	854.00	+1.64
Paris	CAC 40	1,859.44	1,861.84	-0.13
Stockholm	Affarsvarden	1,013.96	1,005.16	+0.88
Vienna	Stock Index	410.63	413.25	-0.63
Zurich	SBS	637.80	633.10	+0.74

Sources: Reuters, AFP  
International Herald Tribune

# EC to Discuss Measures To Control Farm Fraud

Compiled by Our Staff From Dispatches

LONDON — Measures to control farm fraud will be discussed when European Community farm ministers meet under the British presidency in Brussels on Monday, Agriculture Minister John Gummer of Britain said Friday.

The measures are aimed at preventing fraud in a radical new farm regime agreed upon in May, by which farmers will be compensated for sharp cuts in prices if they take land out of production.

"We want to try and establish a realistic date for their implementation," Mr. Gummer said. "We can't have some countries trying hard to respect the rules while others ignore them."

The complexity of the reform package and uncertainty about its details, notably the setting aside of arable land, has fueled fears of an escalation in fraud and unequal treatment in the 12 member states.

Fraud, mostly involving import duties and farm payments, cost the EC more than \$230 million in 1991, an official report said last month.

Mr. Gummer said farm ministers would also discuss banana imports from developing countries.

The EC plans to slap a 20 percent tariff on Latin American bananas in January to protect more expensive African and Caribbean products.

In Brussels, the Community's top industrial-affairs official criticized moves to weaken EC-wide programs by handing more powers to national governments.

During a press conference, EC Commissioner Martin Bangemann said the lowest tier of government was not always the best one to deal with problems.

"This is a very important debate," Mr. Bangemann said. "If we want an ever closer Europe of people and states then we cannot accept that preference for the lowest possible level."

Elsewhere, however, Mr. Bangemann stressed a hands-off approach to EC industrial policy. "There is no strategic industry which Europe must maintain," he said. Mr. Bangemann said there was no reason to fear Japanese domination of semiconductors, "as long as the technology is freely available."

EC industrial policy should answer industry's needs and not dictate companies' policies, Mr. Bangemann said.

EC funds could help industry prepare for challenges where costs would prohibit initiatives by individual companies, Mr. Bangemann said. (Reuters, AP)

# Deutsche Bank Buys Gerling Stake

Compiled by Our Staff From Dispatches

FRANKFURT — Deutsche Bank, Germany's largest bank, announced Friday that it had agreed to take a 20 percent stake in Gerling, the country's third-largest insurance group and the last major one remaining in family hands.

Neither company would disclose the price of the acquisition. A spokesman for Deutsche Bank said it was purely an investment.

Deutsche Bank said that the agreement would enable "the character of Gerling to be preserved" as a major family-controlled group.

# Elf Studies Qatar Gas Project

Compiled by Our Staff From Dispatches

PARIS — France's Elf Aquitaine and Sumitomo Corp. of Japan said Friday they have agreed to study the feasibility of developing a natural gas field in Qatar, one of the world's largest, to supply the Middle East and Asia.

The agreement is for 25 years and the project to be studied would cover the production of 4 million metric tons a year of liquefied natural gas, the companies said.

The study will look at implementing offshore production, building a liquefaction plant and the possibilities for shipping the gas to Japan, Taiwan and South Korea. Construction would begin in 1996 and the first deliveries could be made in 2000, Elf said.

Elf signed an agreement with Qatar in May 1991, giving it rights to part of the North Field, which Elf estimated had reserves of at least 4.5 trillion cubic meters of gas.

France's other major oil company, Total, has signed an offshore oil exploration contract with Burma, the state-owned Working People's Daily said Friday.

The contract is only the third for offshore exploration signed with Burma, whose relations with foreign countries remain strained after several military crackdowns. Ten foreign companies have started exploration activities onshore. (AFP, Bloomberg, AP)

# Very briefly:

- Standard Chartered PLC said it would sell its discretionary portfolio management businesses based in London, Jersey, the Isle of Man, Hong Kong, Singapore and Boston to Capital House, Royal Bank of Scotland Group's investment-management subsidiary.
- ACEC Energie is to receive a 262 million Belgian franc (\$8.4 million) subsidy from Belgium's trade ministry to help it finance over 10 years the building of a power station in the Chinese province of Hunan.
- DAF NV said its marketing, sales and service organization, DAF International, signed an assembly contract with Associated Automotive Distributors of South Africa, which will assemble and begin selling by July 1993 DAF products including delivery vans, trucks and buses.
- Britain's retail price index was unchanged in June from the previous month and up 3.9 percent from a year earlier.
- Carlton Communications PLC said a unit invested \$15 million in return for a 10 percent stake in the recently formed U.S. movie distributor, Savoy Pictures Entertainment Inc.
- Yugoslavia is still making all debt payments to the International Monetary Fund and the World Bank while other debt payments have been temporarily suspended, a National Bank director said.
- Haltimäski Oy said it agreed to swap its domestic beverage unit Marli Oy for, the confectionery business of Oy Retting AB, a privately held company with tobacco, brewing and metal products interests. (AFP, Bloomberg, Reuters)

# HSBC Boosts Midland Stake to 91%

Bloomberg Business News

HONG KONG — HSBC Holdings PLC said Friday that it controlled 72.1 million shares in Midland Bank PLC, or around 91.27 percent, and it declared its offer for the British bank unconditional.

Valid acceptances for its offer had been received from holders of 570.5 million Midland shares, or 72.21 percent, by Thursday afternoon, HSBC, the holding company for Hongkong & Shanghai Banking Corp., owns a further 150.6 million shares, or 19.06 percent.

HSBC also said it had appointed Midland's chairman, Sir Peter Walters, and its group chief executive, Brian Pearce, to the HSBC board.

# BANANA: An International Industry Is Helpless as Prices Keep Diving

(Continued from first finance page)

But because of a breakdown in trade talks between the United States and the European Community, countries like Spain, France and Britain were allowed to keep exclusive agreements to buy all their bananas from their former colonies.

The Community is also considering a 20 percent tariff on bananas from Latin America, where the Big Three brands grow most of their produce. Without explosive demand in Europe, bananas have been left to rot on the piers in Ecuador, executives said.

Fruit from Latin America is flooding into European countries that lack entrenched relationships with banana-growing countries.

Banana companies have also tried to increase their market share in the event that quotas are set based on current volumes. As a result, retail prices in parts of Europe dropped this spring by 20 percent from last year.

They fell a more modest 12 percent in the United States, which also absorbed some of the excesses, and could tumble more here if tariffs are imposed in European markets now open to Latin fruit. In New York, bananas cost about 29 cents a pound retail, down 5 cents from last year.

Profits of the fruit companies have suffered. In April, Chiquita stunned Wall Street when it reported that earnings for the first quarter had plunged 89 percent, to \$5.5 million, on sales of \$1.16 billion, down 1.8 percent.

Chiquita's problems are a setback for Keith Lindner. Some analysts said the company was overly optimistic about the prospects for expansion in Europe and that the company had hid from Wall Street just how severely the low prices would hurt it.

Since 1984, when his family purchased a controlling interest in the company, then known as United Fruit, Mr. Lindner deliberately set out to cultivate a more open image than his secretive father, who runs a far-ranging empire with holdings in insurance and broadcasting. Unlike his father, Keith Lindner regularly talks to Wall Street analysts and the news media.

He has also worked to overcome lingering questions about his father's investment style. In the 1970s, Carl Lindner was accused of fraud and stock manipulation by the Securities and Exchange Commission in the same case as his business associate, Charles H. Keating Jr.

# LATIN AMERICA THE NEW ECONOMIC CLIMATE

Madrid, July 21-22, 1992

A major conference co-sponsored by the International Herald Tribune, Inter-American Development Bank and Argentina-Corporación Bancaria de España

- JULY 21
- 09.30 CHAIRMAN'S INTRODUCTORY REMARKS  
Lee W. Hueston, Publisher, International Herald Tribune  
Francisco Luzón, Chairman, ARGENTARIA - Corporación Bancaria de España
  - 09.45 KEYNOTE ADDRESS  
Carlos Solchaga, Minister of Finance and the Economy, Spain
  - 10.15 LATIN AMERICA: THE SEA CHANGE IN ECONOMIC THINKING AND PLANNING  
Enrique V. Iglesias, President, Inter-American Development Bank
  - 10.45 HOW THE NEW IDEAS ARE PROMOTING A MORE STABLE FORM OF GROWTH  
Samuel Doris, Minister of Planning, Bolivia  
Alejandro Foxley, Minister of Finance, Chile  
Angel Gurría, Undersecretary for International Financial Affairs, Mexico
  - 12.15 Coffee
  - 12.45 INVESTMENT IN LATIN AMERICA: BETTER OFF AND BACK IN FASHION  
Pietro Pablo Kuczynski, Chairman, Nueva Management Inc  
Francisco Luzón, Chairman, ARGENTARIA - Corporación Bancaria de España  
Günter Muller, General Manager, Inter-American Investment Corporation
  - 14.15 Lunch  
Guest speaker: Domingo Cavallo, Minister of Economic Affairs, Argentina
  - 16.00 COMBINING ENVIRONMENTAL PROTECTION AND SUSTAINABLE DEVELOPMENT  
Hernán Bravo, Minister of Natural Resources, Energy and Mines, Costa Rica  
Stephan Schmidheiny, Chairman, Anova AG, Switzerland, and Chairman, Business Council for Sustainable Development
  - 17.00 ROUND TABLE: LATIN AMERICA'S PRIVATIZATION PROGRAMS  
Eduardo Modiano, President, National Development Bank of Brazil  
Miguel Agustín, President, Iberia  
Gerrit Tasmies, Vice Chairman, NMB Postbank Groep NV
  - 18.30 Cocktail Reception - Hosted by ARGENTARIA
- JULY 22
- 09.30 WHY FOREIGN COMPANIES ARE LOOKING AGAIN AT LATIN AMERICA  
Moderator: Robert Panero, Robert Panero & Associates  
Ambassador Christian d'Aumale, Advisor to the Chairman, Lyonnaisse des Eaux  
David de Pury, Chairman, Asa Brown Boveri Ltd  
Cándido Velázquez, Chairman, Telefónica de España
  - 10.45 LATIN AMERICAN INTEGRATION: A RENEWED CATALYST FOR COOPERATION  
Central America's Peace Dividends:  
Erwin Krueger, Minister for External Cooperations, Nicaragua  
The Andean Pact Revival:  
Enrique García, President, Andean Development Corporation, Bolivia  
The Mercosur:  
Felix Peña, Director of Integration, Argentina
  - 12.00 Coffee
  - 12.20 ADJUSTMENT MEASURES: GETTING THE SOCIAL BALANCE RIGHT  
Carlos Ominami, Minister of Economy, Chile  
Prof. Louis Emmerli, President, OECD Development Centre
  - 13.15 LATIN AMERICA STOCK MARKETS: THE EMERGENT STARS  
Alvaro Vidigal, Chairman, Sao Paulo Stock Exchange  
Audley Twiston Davies, Managing Director, Latin American Securities Limited
  - 14.15 CONCLUSIONS OF THE CONFERENCE  
Enrique V. Iglesias, President, Inter-American Development Bank
  - 14.30 Lunch  
Special Address: H.E. Luis Alberto Lacalle, President of Uruguay
  - 16.30 Close of conference  
Subject to confirmation
- In order to provide delegates with an up-to-the-minute outlook for the region the final program will incorporate a number of additional speakers.

# NYSE Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Symbol	Price	Change
IBM	118.25	+0.125
MSFT	41.625	+0.125
GE	34.875	+0.125
DIS	31.875	+0.125
BA	48.875	+0.125
GM	28.875	+0.125
AMT	38.875	+0.125
INTL	35.875	+0.125
TRW	25.875	+0.125
WAL	22.875	+0.125
CVX	45.875	+0.125
BP	32.875	+0.125
ARCO	28.875	+0.125
AMOC	25.875	+0.125
AMST	22.875	+0.125
AMT	19.875	+0.125
AMT	16.875	+0.125
AMT	13.875	+0.125
AMT	10.875	+0.125
AMT	7.875	+0.125
AMT	4.875	+0.125
AMT	1.875	+0.125

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WAL	22.875	+0.125
CVX	45.875	+0.125
BP	32.875	+0.125
ARCO	28.875	+0.125
AMOC	25.875	+0.125
AMST	22.875	+0.125
AMT	19.875	+0.125
AMT	16.875	+0.125
AMT	13.875	+0.125
AMT	10.875	+0.125
AMT	7.875	+0.125
AMT	4.875	+0.125
AMT	1.875	+0.125

REGISTRATION FORM: To register for the conference, please complete the form below and send it to: Jane Blackmore, International Herald Tribune, 65 Long Acre, London WC2E 9LH, England. Tel: (44 71) 838 4802 Fax: (44 71) 836 0717

Enclosed is a check for £295.00 made payable to the International Herald Tribune  Please invoice

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11-7-92

CONFERENCE LOCATION: Palazzo Hotel, Piazza de' leoni, Cortes 7, 28014 Madrid, Tel: (34 1) 429 75 51, Fax: (34 1) 429 02 06. To reserve accommodation, please contact Luis Diaz in the reservations department, without delay. Please notify the hotel that your reservation is in connection with the International Herald Tribune conference.

Herald Tribune ARGENTARIA











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MONEY

FIRST COLUMN

Investing Offshore Is Out of Sight

EVEN that the shortest questions are the most difficult to answer (Is this art? What is a fact? etc.) you might expect the response to the apparently simple question of what an offshore location is to be long and complex.

You would not be disappointed. The reasons why investors are attracted to offshore locations are well-known. They usually want low or zero tax and a regulatory regime that may be described as sympathetic while falling short of nonexistent. But what does the magical word "offshore," with all its palm tree connotations, mean in an investment context? It's probably easier to start with the negatives.

Getting fat, drunk and tan on some island beach may be fun, but it certainly isn't relevant to the investment business. Although offshore investment has traditionally been thought of as being connected with sun and islands, that is no longer the case. Two of the most rapidly expanding offshore centers in Europe are Dublin and Luxembourg, neither of which is famed for its beach culture.

OR is secrecy the key to offshore investment. The fact that investors may receive tax-free income does not alter their obligation to declare that income to the relevant tax authority. Investments in Dublin and Luxembourg, for example, should be declared by French taxpayers. Offshore centers may offer discretion in their handling of investments, but that must not be—as it undoubtedly often is—abused by tax avoiders.

The most charitable construction is that the word offshore in an investment context means a state of mind. It is for investors who want flexibility—an important factor if they move around a lot—and value for money from the enhanced cash flow of low-tax or tax-free investment.

A less charitable view would be to agree that "offshore" is a state of mind all right, but to argue that as far as domestic tax authorities are concerned, that state of mind is usually amnesia.

M.B.

Just How Low Can U.S. Rates Go?

By Martin Baker

FOR a market where one of the key indicators recently hit an extreme unparalleled for almost a third of a century, U.S. bonds have had a fairly quiet week. True, bond prices surged initially last week when the U.S. Federal Reserve slashed the discount rate, the cost of loans made to member banks, by half a point to 3 percent. But the buying pattern was uneven—most interest was focused on shorter term bonds—and things have been fairly steady since.

Now, with the discount rate at its lowest level since 1963, investors must ask themselves whether interest rates can go any lower, and weigh other important factors in the balance in assessing U.S. bonds at what some analysts are calling a critical period for the market.

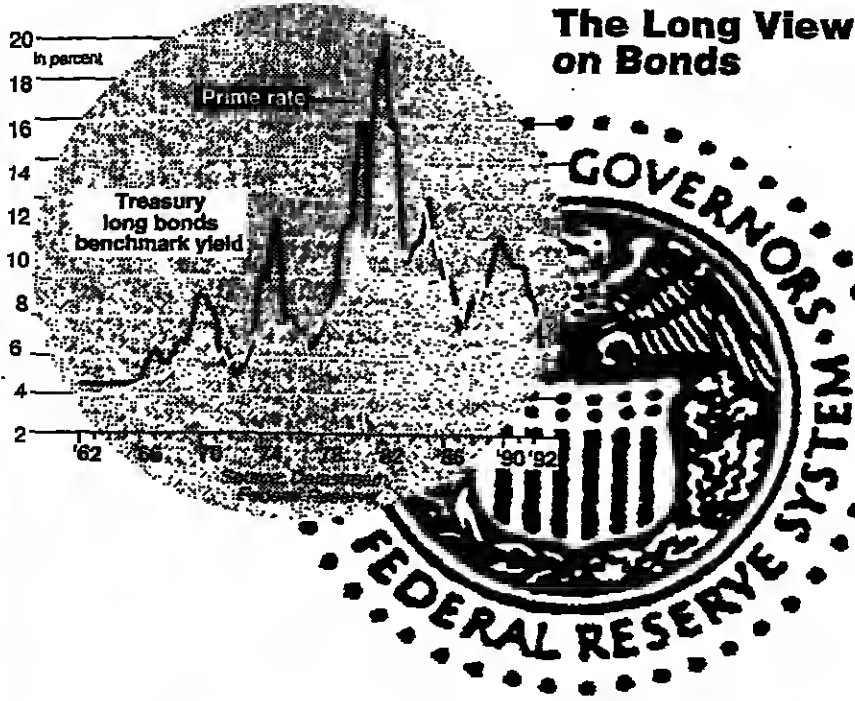
Apart from short-term interest rates, the other major influences on the market include: Inflation, the overall economic health of the United States and that catchall indefinable, market sentiment. Analysts use these factors to build their own views of the future for bond investors. A critique of common scenarios for the U.S. economy. Each has direct and important consequences for bond investors.

The first, and largely unpopular, view is ultra-pessimistic. Some analysts argue that we are on the brink of a deflationary depression, complete with the idiocy of negative interest rates (here, take my money. I'll pay you to keep it). In that case, the income stream which bonds provide would be extremely valuable, and the purchase price of bonds would soar.

Readers will be aware that when the price of bonds rises, the yield, which is no more than the income expressed as a function of that price, drops. This phenomenon explains why the yield dropped on most bonds last week: The cost of money was lowered, so the price of purchasing a steady income stream rose.

Although very few followers of bond markets in the major international investment houses accept a very pessimistic scenario for the U.S. economy, some argue that this kind of thinking underpinned last week's buying spree: "The market got very nervous about the poor employment figures, and the discount rate was lowered partly as a gesture of political will," said Richard Gray, director of bond research at UBS Phillips & Drew in London. "But it was based on a false premise. The figures were distorted by people leaving school."

Mr. Gray accepts that there is some logic to the pessimistic scenario which would wipe billions of dollars off share prices, and leave



bonds as one of the few worthwhile paper securities. But he regards this view of the world as a "very long call."

If the pessimistic scenario is unpopular, the obverse side of the coin is even less loved. Not even the most determined optimists are calling for a spurt in U.S. economic growth, despite the government's continued demonstration of its determination to stimulate growth by making money cheaper. Perversely, lowering interest rates too much can have an adverse effect on bonds. The rationale is that the fast economic growth cheap money is supposed to stimulate almost invariably creates inflation—and inflation hurts investments which offer a fixed income stream.

Jim Fralick, chief fixed income economist at Morgan Stanley in New York, opts for a version of a middle-of-the-road scenario which is by far the most favored among international analysts: "I see a slow growth, low inflation economy for the short term, at least until the election. After that, people will look at the prospects for inflation in the U.S., and the outlook there is good."

Mr. Fralick regards bonds as a good longer term investment, but considers the market overbought after last week's spree. He expects next month's employment figures to be considerably improved, and thinks a good time to buy might be after bond prices retreat on good employment news. Mr. Fralick

expects to see the yield on 30-year bonds rise by the third quarter of the year.

Mark Cliffe, senior economist at Nomura Research Institute, Europe, agrees that "bond prices are probably due for a set back. We've seen a dramatic reaction to the discount rate cut across the yield curve. It's been especially dramatic on two year Treasury notes."

On the positive side, Mr. Cliffe does not rule out a further cut in interest rates. He does not subscribe to the "triple dip" theory that pessimists use to argue for a continued downturn in economic activity. He argues that the most probable reason for any further easing of interest rates will be political rather than economic: "The Fed might just get bounced into another round of easing. With pre-election politics, you can't rule out another cut. Overall, I don't see interest rates really picking up until after the election."

Richard Gray at UBS Phillips & Drew is among the more pessimistic of the middle-view school. He believes that the market in U.S. bonds has only factored in an election result which sees President Bush returned to office. "They could be in for a nasty shock," he says.

Political Risk Services, a Syracuse-based consultancy which assesses political risk worldwide, says in its latest edition of its Country Forecasts publication that President Bush has a less than even chance of being re-elected. Just how important a factor the presidency is in market sentiment is one of the unquantifiable elements of bond trading.

If readers do go along with the consensus view that bonds are good bet over the long term, they must consider their investment medium.

Professionally managed bond funds offer a good exposure to the market and are an excellent way of balancing risk.

U.S. Funds Seek to Chase Investors Over the Hill

By Judith Rehak

THE U.S. mutual fund industry is gearing up to tap a market of investors long overlooked despite their growing numbers and wealth—the post-65 generation.

For some time now, fund companies have been exhorting their investors to plan ahead for retirement. But when Steve Norwitz, a vice president with the T. Rowe Price fund group, wrote a guide on the subject a few years ago, he got some unexpected feedback from the already-retired.

"The refrain I heard over and over again, was, 'Nobody tells you what to do once you're there,'" he recalls.

The calls for such advice will be escalating in coming decades. The 65-and-over group in

out the required minimum distribution is a complex undertaking based on such issues as life expectancy. What's more, "The tax penalties for doing it wrong are severe," warns Jeremy Duffield, senior vice president of planning and development at Vanguard. "It can be as much as 50 percent. It's confiscatory."

Vanguard also is targeting another important area—advice to rolling over a chunk of money from a previous pension plan into an IRA. "They face a critical decision as to how to invest it," notes Mr. Duffield.

Both Mr. Duffield and Mr. Norwitz plan to pay more attention to another neglected area of the over-65 market: Continued investing for people who may well live 20-25 years after they retire. They note that retirees tend to become too conservative, sticking with bonds and lower-yielding money market funds, when they could do better with a larger percentage of their assets in the stock market, particularly to beat inflation.

"People focus too much on the risk of losing money, not losing purchasing power, which is worse," comments Mr. Norwitz.

This has led T. Rowe Price to include in its retirees' guide examples showing that to maintain the purchasing power of \$20,000 a year for 20 years with inflation at the rate of 6 percent a year, an individual would have to invest about \$337,000 earning about 8 percent annually.

But investment strategies are not the only way that fund groups are catering to senior citizens. Specialized service has proved to be an important attraction in the seven mutual funds that the Scudder group runs in partnership with the American Association of Retired People.

LAST YEAR, several thousand requests came in for its large-print prospectus, and each month, some 200 requests came in to use its information services for the deaf and hearing or speech impaired. Scudder staffers who handle toll-free numbers for the AARP funds are trained to be especially sensitive to the needs and concerns of older shareholders.

In another venture to cater to the needs of the Spanish-speaking members of AARP, prospectuses and a toll-free telephone number are now available for Spanish speakers. This attention to service, plus a conservative but steady investment performance, has paid off for Scudder to the tune of \$8 billion in assets, more than 10 percent of the fund group's total, and 675,000 in shareholder accounts.

Although U.S. funds are awakening to the potential of the retired generation at home, today, demographic trends suggest that investors in other countries will not have to wait long for similar attention. The aging of society is common phenomenon across the industrialized world, in some cases at a faster rate than in the United States. While the number of over 65 Americans is expected to grow by 40 percent from 1990 to 2015, the number in Japan is expected to double while the number in France is expected to grow by 35 percent.

People focus too much on the risk of losing money, not losing purchasing power, which is worse.

Steve Norwitz of T. Rowe Price.

The United States, now about 12 percent of the population, will likely double by the year 2030, according to the country's 1990 census. A group that is now a little more than 30 million strong should grow to around 65 million.

What's more, senior citizens are no longer necessarily relegated to their rocking chairs. Increasingly, they are active individuals who have accumulated the wherewithal for a comfortable retirement—IRAs, social security and company pension plans—but not necessarily the know-how to get the most out of it.

Mr. Norwitz's experience led him to re-focus his thinking when he wrote a second "how-to" last year, directed strictly to retirees. "It's not about how much to save, but how much to spend," he notes. Among the issues the guide covers are the impact on income of health care costs, taxes on social security and working after retirement.

The guide, with a workbook to figure out how much retirees can spend each year, hits its mark. Some 220,000 requests have come in for it since it was published last January, yielding a raft of new investors for T. Rowe Price.

Meanwhile, other fund groups aren't sitting on their hands. With slightly more than 25 percent of its shareholders over 65, Vanguard, the no-load fund giant, will be launching a series of post-retirement literature this fall.

One of the most crucial issues its new Retirement Services Group is working on is a system to help retirees calculate the proper withdrawals from their tax-deferred IRA accounts. By law, IRA holders must start withdrawing money by the age of 70½, but figur-

Derivative Funds Magnify Big Moves On Asian Markets

MUTUAL fund investors have mostly done best out of the byways and the backwaters of the world's stock and bond markets, according to this month's roundup of performances provided by the international fund monitor, Micropal.

Micropal's collation of dollar-converted performances from funds across nine countries, plus offshore territories, shows strong growth from vehicles invested in

GT Latin America have all produced healthy returns. The Argentinian fund's dollar return is particularly impressive in light of the high domestic inflation rate in Argentina, which normally undermines the value of Buenos Aires stocks for foreign investors.

Over the longer term, the best performers are more evenly spread, both geographically and industrially. The outstanding Japanese fund, Morgan Grenfell Japan Smaller Companies, is the only Tokyo-invested fund in the top 20. But the disastrous returns from Japan over the last two years have taken their toll in the shorter term. Fourth over five years, the fund falls to 5,362d place over the past year, recording a loss of \$21.70 for every \$100 invested, after charges.

While the resurgence of Hong Kong has helped boost Hong Kong and Asian funds, the strength of the U.S. health-care sector also makes itself felt with good returns from Financial Strategy's Health fund, and Alliance Health Care. Fidelity has recorded a good return with a fund in a sector related to health care. Its biotechnology fund has performed well over five years, although it is down more than 5 percent over the past month.

The figures shown are dollar performances. They represent the net value of investment, after accounting for the spread between buying and selling prices of units. All income, net of any applicable tax, is assumed to be reinvested in the funds. The nine countries covered are: the United States, Japan, France, Germany, Britain, Switzerland, Luxembourg, Denmark and Spain. Funds registered in offshore locations are also included.

Readers are reminded that past performance is no guarantee of the future value of investments.

Investors requiring contact numbers for the companies shown should write Micropal, International Data Department, Commonwealth House, 7 Chalkhill Road, London W6 8DW, or call London (44 81) 741 4100.

MARTIN BAKER

Funds leveraging on Hong Kong's gains, and Tokyo's losses, were the big winners.

the Pacific basin countries. Of the top 20 performers over one month, seven are invested in Indonesia or the Philippines.

The two best performers over the month are both invested in major markets through derivative instruments. CIBC's Hong Kong fund uses warrants to accentuate the positive moves on the Hong Kong exchange. Hong Kong has had an excellent year so far, recording gains of around 40 percent since Jan. 1.

Just behind the Hong Kong fund is Govett MIS Japan Bear, which uses derivative instruments to exploit falls in the Tokyo exchange. Investors in this recently launched fund have seen the dollar value of their holdings rise more than 17 percent in the month to July 1.

Over one year, the performance of the Hong Kong market accounts for 13 of the top 20. The CIBC fund is again the best performer. Funds that follow market trends using derivatives typically show massive gains when the underlying market performs well.

The attractions of Latin America over the past year are also reflected in the table. The Argentinian Investment Company, Baring Puma, and

Best Performing Mutual Funds

Table with columns for fund names, performance metrics, and other details. Includes sub-sections for June Market, New York Stock Exchange, Tokyo Stock Exchange, and London Stock Exchange.



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هكزامن الأصيل







# SPORTS BASEBALL

## An All-Star Crunch Hits 3 Who Shine

### Roster-Filling by the Numbers Leaves Fielder, Fleming and Winfield Out

**The Associated Press**  
NEW YORK — Cecil Fielder, Dave Winfield and Dave Fleming — boasting some of baseball's biggest numbers — became victims of a numbers crunch and were bypassed for the All-Star game.

When the American and National leagues named their pitchers and reserves for Tuesday night in San Diego, most of the leaders were included, with Roger Clemens, Will Clark and John Kruk among them. But some even bigger players — in stats and stature — were missing.

Fielder, leading the majors with 70 runs batted in, was omitted. So was Winfield, in his 20th season and enjoying one of his best. And Fleming, the top rookie pitcher in the majors. They were left off the AL roster so all 14 teams would have at least one player, and no club would dominate with more than three.

Minnesota's manager, Tom Kelly, who joined with the league president Bobby Brown to pick the rest of the AL roster on Thursday, said it was difficult to leave off Fielder, "but that's what happens when you have to work within the parameters of the system."

The host San Diego Padres has five players on the National League roster, the most in the majors. Third baseman Gary Sheffield and shortstop Tony Fernandez were added, joining outfielder Tony Gwyno, first baseman Fred McGriff and catcher Benito Santiago, who were elected to start.

Six former Padres also made the team. Outfielder Rip Roberts of Cincinnati, second baseman Carlos Baerga of Cleveland, outfielder Joe Carter of Toronto and Kruk, the Philadelphia first baseman, were added as reserves. Toronto second baseman Roberto Alomar and his brother, Cleveland catcher Sandy Alomar Jr., also former Padres, are AL starters.

Atlanta, the defending NL champion, and St. Louis are the only teams to have two pitchers selected. Tom Glavine and John Smoltz will represent the Braves. Bob Tewksbury, leading the majors with a 1.82

ERA, and reliever Lee Smith were picked from the Cardinals.

Reserve outfielder Ron Gant and starting third baseman Terry Pendleton give the Braves four players.

Other AL starting pitchers were Clemens of Boston, Juan Guzman of Toronto, Kevin Brown of Texas, Mark Langston of California, Jack McDowell of Chicago, Mike Mussina of Baltimore and Charles Nagy of Cleveland. Joining Dennis Eckersley of the Athletics are relievers Rick Aguilera of the Twins and Jeff Montgomery of the Royals.

The National League manager, Bobby Cox of Atlanta, and its president, Bill White, also picked as starting pitchers Tom Seaver, Glavine, Smoltz, David Cone of the New York Mets, Greg Maddux of the Chicago Cubs and Dennis Martinez of Montreal. Smith, Norm Charlton of Cincinnati and Doug Jones of Houston were chosen as relievers.

Fielder had the most productive month of his career in June and was batting .242 with 16 homers.

Winfield is fifth in the American League in batting at .309 with 14 homers and 47 RBIs.

Fleming, 10-3 with a 3.27 ERA for Seattle, was squeezed out so Langston (8-7, 4.02 ERA) and Montgomery (0-5, 19 saves in 21 chances) could make it as their team's only players.

Ivan Rodriguez of Texas was picked as the AL's backup catcher, while its reserve infielders are Baerga, Travis Frymer of the Tigers, Chuck Knoblauch of the Twins, Edgar Martinez of Seattle, Paul Molitor of Milwaukee and Robin Ventura of the White Sox.

The AL's reserve outfielders are Carter, Brady Anderson of Baltimore, Roberto Kelly of the Yankees and Ruben Sierra of the Rangers.

The NL took Tom Pagnozzi and Philadelphia's Darren Daulton as backup catchers. The backup infielders are Sheffield, Fernandez, Kruk, Craig Biggio of Houston, Clark of San Francisco and Mike Sharperson of Los Angeles. Backup outfielders are Gant, Roberts and Larry Walker of the Expos.



Mickey Morandini made known his doubts as the ump showed how far off his slide into second was.

## Reds Keep Raiding the Pirates

**The Associated Press**  
The Cincinnati Reds can make a pretty strong argument for being the best team in the National League right now.

Barry Larkin's two-run double broke an eighth-inning tie Thursday night and enabled the Reds to continue their mastery of Pittsburgh with a 5-2 victory over the shuffling Pirates in Cincinnati.

The Reds have won the last five games between the league's division

### Dibble Drops Appeal of Ban

**The Associated Press**  
CINCINNATI — Reliever Rob Dibble has dropped the appeal of his latest suspension and will sit out the Cincinnati Reds' four-game series against the Pittsburgh Pirates.

Both Dibble and outfielder Glenn Braggs were suspended for four games for charging on the field to fight the Houston Astros on June 24. Braggs' is appealing his suspension.

Dibble has previously been suspended by the league for throwing a bat at the backstop, twice for throwing a ball into the stands and hitting a fan. He was fined last year for throwing a ball at Chicago baserunner Doug Decenzo.

al snapped San Francisco's five-game winning streak. It was the Expos' seventh game in four days, following three consecutive doubleheaders at Los Angeles.

Grissom blooped a one-out single to center off Dave Righetti, went to second on a wild pitch, stole third and scored when catcher Kirt Manwaring's throw got past Williams for an error.

Braves 2, Cubs 0: Mark Lemke's two-run triple in the 12th inning broke a scoreless tie in Chicago.

David Justice walked leading off the 12th and Brian Hunter sacrificed him to second. Greg Olson, also walked before Lemke lined a triple into the right-field corner off reliever Jim Bullinger.

Astros 4, Mets 0: Willie Blair won for the first time in the National League with six strong innings of relief as Houston sent visiting New York to its 11th shutout of the season.

Blair had a 5-8 record in the American League for Toronto and Cleveland before coming to Houston in an off-season trade.

Dodgers 2, Cardinals 1: In Los Angeles, Ramon Martinez blanked St. Louis on three hits over eight innings as the Dodgers beat Bob Tewksbury, who is headed for the All-Star game.

The Dodgers broke a scoreless tie in the sixth after Tom Henke relieved Joe Carter intentionally and retired Dave Winfield and John Olerud. Roy Candy Maldonado then lined Gossage's first pitch into left field to score Alomar.

Royals 3, Brewers 2: In Milwaukee, Wally Joyner doubled home the winning run and Kevin McReynolds homered off Chris Bosio, his fourth off Brewers' pitching this year.

## By Example, Ryan Leads Rudderless Rangers to 14-4 Rout

**The Associated Press**  
Bobby Valentine? Toby Harrah? It shouldn't matter.

On Thursday night, it didn't matter for the Texas Rangers.

"I think the guys showed they didn't let it be a distraction," Nolan Ryan said after the Rangers routed visiting Cleveland 14-4 under an interim manager, Harrah, who replaced Valentine, who was fired earlier in the day. "We're players, and whoever is our manager, we have to go out and do our jobs."

Ryan did his job, recording his third consecutive victory after an 0-3 start. He struck out eight and walked two while allowing seven hits in seven innings for his

317th career victory, one behind Phil Niekro for 12th on the all-time list.

Ruben Sierra had a three-run homer and Kevin Reimer and Brian Downing hit bases-empty shots in the first inning off Scott Scudder. Juan Gonzalez singled home two more runs in the second, and Dean Palmer's second grand slam of the season capped another five-run outburst in the fifth.

Tigers 5, Angels 4: In Detroit, California lost its 11th in a row, the longest skid for the Angels since 1988, when they dropped their last 12 games.

The Angels started Bert Blyleven, 41, against Frank Tanana, 39. Neither was impressive, although Tanana, in his 19th

major-league season, improved to 8-5. Blyleven, in his 22d season in the majors, had his fourth straight poor start, allowing five runs on nine hits in just four innings.

Yankees 7, Mariners 6: A wild first inning set the tone in New York. Seattle

jumped ahead on Edgar Martinez's three-run homer off Scott Kaminicki. The Yankees needed only one hit — a grand slam by Mike Stanley — in putting together six runs in the bottom half.

White Sox 10, Red Sox 3: In Boston, Jack McDowell, named to the All-Star team earlier in the day, pitched a seven-

hitter for his sixth complete game. He got four of support as Frank Thomas went 4-for-4, including a two-run home run, and George Bell hit a three-run homer in a 17-hit attack.

Orioles 4, Twins 2: Brady Anderson led off with a homer off Scott Erickson and Mike Devereaux followed with another in Baltimore. That quick boost helped rookie Arthur Rhodes to his first major-league victory and the first by a left-handed starter for Baltimore in nearly a year.

Recalled from Triple-A Rochester on Wednesday, Rhodes gave up two runs, six hits, struck out four and walked two in 7 1/2 innings against the best-hitting team in

baseball.

## BOOKS

### WHAT IT TAKES: The Way to the White House

By Richard Ben Cramer. Random House, 1,047 pages. \$28. Random House Inc., 201 East 50th Street, New York, New York 10022.

Reviewed by Jack Shafer

RICHARD Ben Cramer's swift and beautiful barge of a book about the 1988 presidential campaign, "What It Takes," answers the question posed by Hunter S. Thompson two decades ago: "How low do you have to stoop in this country to be president?"

In the '88 go-round, the campaign trail was swarming with willing stoopers — a former NFL quarterback, a gaggle of governors and senators, a standing veep, a dyspeptic retired general, a lowly representative, and two servants of God. Most of these men had targeted the White House from the beginnings of their careers and were willing to limbo through hell for the prize.

But how low would they go? "What I wanted, what I could not find, was an account I could understand of how people like us — with dreams and doubts, great talents and ordinary frailties — get to be people like them," Cramer writes in the introduction to his 1,047-page behemoth, which took him longer to write than it takes to run for president. "What happened to their idea

of themselves? What did we do to them, on the way to the White House?"

A veteran journalist, Cramer had covered the U.S. Marine deployment in Beirut, a political campaign where the advance men toted rocket grenade launchers instead of cellular phones. Joining the presidential-campaign cavalcade in 1986, he eventually narrowed his study to six men — Bush, Dole, Dukakis, Gephardt, Hart and Biden — real contenders who readily shared with him their thoughts and passions and pasts and presents. (Jesse Jackson didn't make the book's cut because he wouldn't volunteer the required candor.)

The subtext of "What It Takes" is that a candidate must maintain his vigilance lest the handlers (Cramer calls them the "white men") take over. But more than once in "What It Takes," the white men save the day. Like most of the other candidates, Dukakis permitted the white men to inspect his personal life for the unpopularity his opponents might spring. Since the voters own believe that they're casting ballots for a first family, too, the interrogation included the family, and the handlers learned that wife Kitty had been buzzed on crank for 20 years. The specter of a "Kitty Dukakis Speed-Eating Dynamics Course" could have easily scuttled the Dukakis campaign, but the white men staged a weepy public confessional and repackaged her travail to the candidate's benefit.

Had the white men gotten to him in time, Gary Hart might not have snagged

his presidential ambitions in his zipper. Hart never bent or sniveled to win the presidency in 1988. Robotic and self-righteous, he even refused to pose for a photograph to illustrate a journalistic profile of him as a candidate. A campaign obsessive, Hart was happiest explaining his Ptolemaic theory of how to win the White House. Build concentric rings — one in each state — of 10 to 12 supporters and instruct each supporter to build another ring of supporters and so on until the pattern ripples out to every voter.

But reanimating Hart is beyond Cramer's talents. Filling in the Hart emptiness even deflated the inestimable E. J. Dionne, who profiled the candidate for The New York Times during the campaign. Now a reporter for The Washington Post, Dionne grew skittish in his questioning of Hart, Cramer reports, and the candidate asked him what he was looking for. "Why do you think... that we think... you're weird?" Dionne said.

The inchoate message of "What It Takes" is that once of the post-Depression, post-World War II generation candidates — Biden, Gephardt, Hart and Dukakis — is worthy. Their soft odysseys haven't prepared them for the office. Until you've walked tall, really tall, Cramer implies, you have no right to crawl into the White House.

Jack Shafer, editor of the Washington, D.C., City Paper, wrote this for The Washington Post.

## BRIDGE

By Alan Truscott

THE Epsco World-wide Bridge Contest took place in Paris in late June. Board 13 of the second day's game, shown in the diagram, was unlucky for many East-West pairs. (They were actually North-South, but the deal has been rotated to make South the declarer.)

There were many rounds to the excellent seven-spade contract, and one of them is shown. South opens conservatively with one diamond, because the auction is harder to handle after a forcing opening. He then jumps to two spades, showing game values. North's raise shows slam interest; four spades would be weaker. South eventually uses the grand slam force, commanding his partner to bid seven spades if holding two of the top three honors.

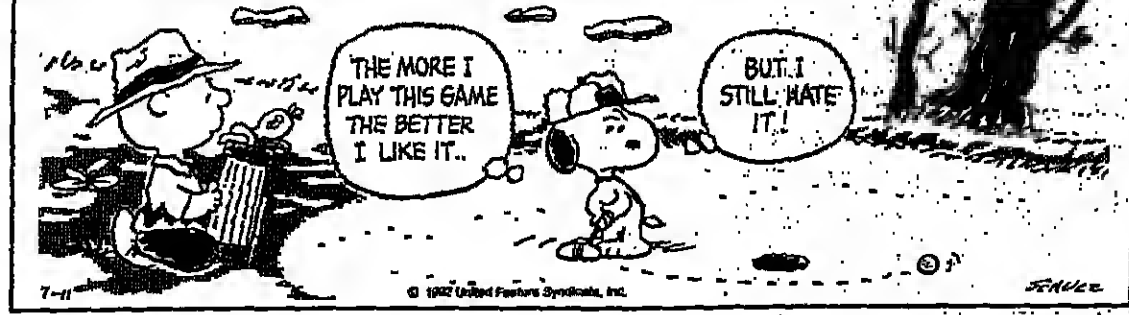
West is not surprised when his club ace is ruffed at the first trick. This serves to complicate South's life, since he has been deprived of a useful entry.

As it happens, West shows out on the second round of trumps. Now South must draw the remaining trumps, return to the heart ace, and hope one of the red suits behave. The diamonds run and the grand slam is made. The declaring side scores 85 predetermined match points out of 100 and East-West beamon the fates.

WEST: ♠ K Q 7 4, ♥ K Q 8 7 3, ♦ Q J 7 5, ♣ A 10 8 3 2. EAST (D): ♠ 10 9 7 3, ♥ J 2, ♦ A 9 8, ♣ K 9 8 4. SOUTH: ♠ A 8 5 2, ♥ A K Q 10 6 5 3.

Both sides were vulnerable. The bidding: South 1♣, West 1♥, South 2♠, West 3♠, South 4♠, West 4♠, South 5 N.T., West 7♠, South 7♠. West led the club ace.

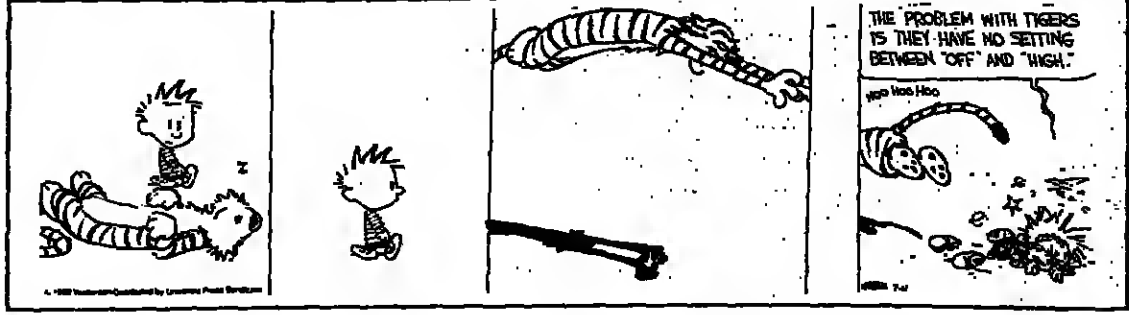
## PEANUTS



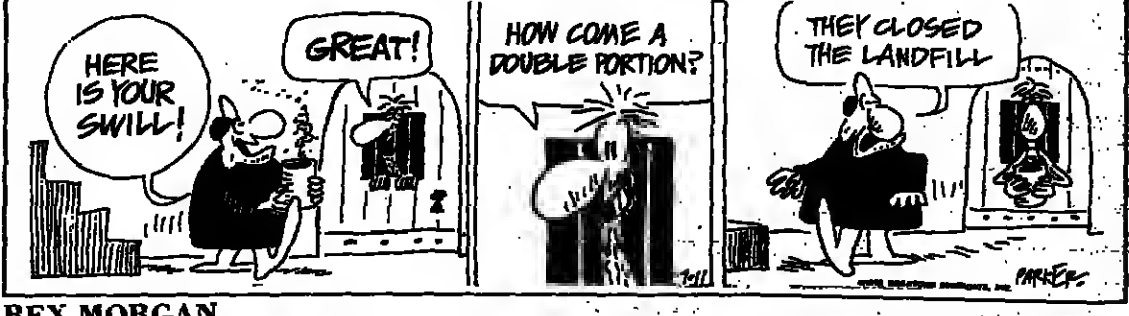
## BEEBLE BAILEY



## CALVIN AND HOBBS



## WIZARD OF ID



## REX MORGAN



## GARFIELD



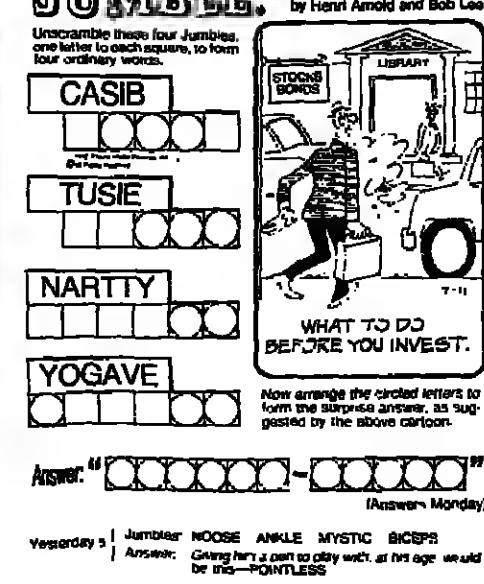
## DOONESBURY



## DENNIS THE MENACE



## JUMBLE



## BLONDIE

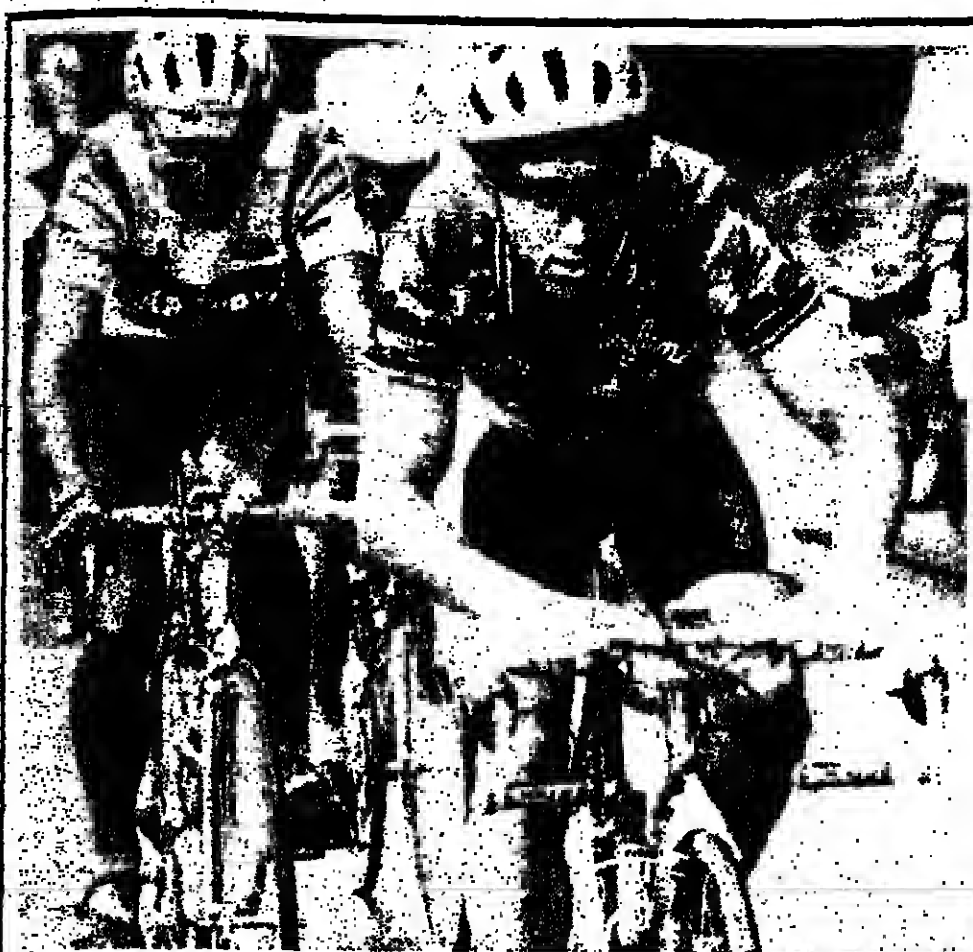


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SPORTS



Greg LeMond, right, with Claudio Chiappucci as they led a four-man breakaway on Friday.

LeMond Powers Breakaway

By Samuel Abt
International Herald Tribune
BRUSSELS — A frisky Greg LeMond made reports of his well-being official Friday as he helped power a four-man breakaway that finished one minute 22 seconds ahead of the rest of the Tour de France pack.

70 and again LeMond counseled patience. At the last bonus sprint point, with 22 kilometers left in the stage, they decided that their time had come. They did nearly all the work in the breakaway after Holm and Jalabert joined them. Watched by huge crowds, the four quickly opened an ever-increasing lead as the pack again failed to respond and try to set up a finish for the star sprinters.

Yugoslavia Accepts IOC Plan to Skirt Ban

Compiled by Our Staff From Dispatches
BELGRADE — The Yugoslav Olympic Committee unanimously decided Friday to accept the International Olympic Committee's proposal to send Yugoslav athletes to the Barcelona Olympics to compete as individuals, not under the Yugoslav flag.

The IOC chief, Juan Antonio Samaranch, said Yugoslav officials could compete as individuals under the neutral Olympic flag and anthem. Formally, they would not be representing Yugoslavia.

A Nation's Basketball Out of the Shadows

NBA Star and Olympics-Bound Lithuania Can Finally Speak for Themselves

By Jackie Krentzman
New York Times Service
VILNIUS, Lithuania — All Sarunas Marcionionis wanted to do was play basketball. He didn't want to be pulled into politics. Especially when they weren't his politics.

Marcionionis said he was proud of that gold medal as an individual accomplishment only. Now he and his teammates have a chance to win a medal for Lithuania. That is why he came back home this summer — to get ready for the Summer Olympics in Barcelona.

Neighbors came over to greet us and bring us food," said Marcionionis of his introduction to California. "That would never happen here. It can take years to build trust."

After the Soviet team won the 1988 gold medal, it took a team photo. The four Lithuanian starters went into another room for a photo of themselves.

Salary for the Warriors. To that end, Marcionionis has targeted the children. He is building two basketball centers where children will play basketball and other games after school.

Albertville Puts Loss at \$56 Million

By Alan Riding
New York Times Service
PARIS — Jean-Claude Killy and Michel Barnier, co-presidents of the 1992 Albertville Winter Olympics, have announced that the committee that organized the Games recorded a \$56.6 million loss, equivalent to 6.8 percent of its \$836 million budget.

SIDELINES

Berlin Fires 2d Aide Over IOC Files

BERLIN (Reuters) — Berlin said Friday that it had fired an official who compiled dossiers on International Olympic Committee members in the hope of influencing them in the choice of venue for the 2000 Games.

Longo Agrees to Use Team's Wheels

PARIS (Reuters) — Jeannie Longo, a former world champion, bowed to pressure from the French cycling federation on Friday and agreed to use the wheels provided by team sponsors at the Barcelona Olympics.

FIBA Rejects Belgrade for '94 Finals

MUNICH (Reuters) — The international basketball federation, FIBA, decided on Friday to take the 1994 men's world championship away from Yugoslavia and to allow other countries to bid for the event.

For the Record

Rudi Voller, 32, the German striker, signed a two-year contract with Olympique Marseille, the French soccer champion, on Thursday. Details of his transfer from the Italian club AS Roma were not disclosed.

SCOREBOARD

BASEBALL

Table with Major League Standings and National League results. Columns include team names, wins, losses, and percentages.

BASEBALL

Table with Japanese Baseball results. Columns include team names, wins, losses, and percentages.

TRANSACTIONS

Table listing various sports transactions, including player moves and coaching changes across different leagues.

Thursday's Line Scores

Table with American League and National League line scores for Thursday's games.

Tour De France

Results in Friday's sixth stage, a 147-mile (237-km) race from Brno, France, to Brussels, Belgium, were: 1. Laurent Jalabert, 4:28:30; 2. Claudio Chiappucci, 4:31:00; 3. Erik Lunde, 4:31:00; 4. Robert Virene, 4:32:00; 5. Laurent Luján, 4:32:00; 6. Laurent Brochard, 4:32:00; 7. Laurent Brochard, 4:32:00; 8. Laurent Brochard, 4:32:00; 9. Laurent Brochard, 4:32:00; 10. Laurent Brochard, 4:32:00.

Large advertisement for AT&T USADirect service. Features the headline 'Feeling Misunderstood?' and 'AT&T USADirect Service makes it easy to call home.' Includes a grid of international dialing numbers for various countries.



DAVE BARRY

H. Ross and H. Dave

MIAMI — The current political situation can best be summed up by the words of Abraham Lincoln, who once said (I believe he said this on the Larry King show): "You can fool all of the people some of the time, and some of the people all of the time, but you cannot fool all of the people all of the time."

"But H. Dave, if you and H. Ross are so much alike, why should we vote for you, when he has important qualities that you lack, such as honesty, integrity and no criminal record?"

True, H. Ross also has a major drawback, namely, stature, as measured in total feet above sea level. And it does not help that he apparently gets his hair cut for free at the School for Hyperactive Children With Power Hedge Trimmers.

H. ROSS PEROT: ... and so I am calling upon all of my fellow world leaders to... HEY! (noo-noo-noo-noo) C'MON YOU GUYS! (noo-noo-noo-noo) PUT ME DOWN! (noo-noo-noo-noo) NOT IN THE PUNCH BOWL!!

Given the current political climate, political observers feel that the time is right for an unprecedented new force in politics. I refer, of course, to myself. Also H. Ross Perot. We are both "outsiders" running for president and the amazing thing about us is... get ready for an astounding coincidence — we hold the same views on everything.

You are saying, "Dave, I can see where you come out ahead of H. Ross in the stature department, but what about Family Values, meaning television?"

One area in which H. Ross and I are very similar is campaign financing. He is willing to spend \$100 million of his money to get elected; I am also willing to spend \$100 million of his money to get elected. More, if necessary.

On this issue, I agree 110 percent with Vice President In Certain Respects Dan Quayle. I am opposed to television. I never watch it. And of course I do not allow my children to watch television.

Also, H. Ross never had drugs, and although I may have had syringes in my arm a few dozen times, I never pushed the plunger. Some of you might be saying: Knight-Ridder Newspapers

Children? I am constantly telling them, "Don't waste your mind on television! Do what I do! Read a book by a famous dead author such as Marcel Proust!"

Love and War: French Films on Indochina

By John Rockwell  
New York Times Service

PARIS — This year the French are looking back to their colonial past. They are doing so in fiction films and documentary films, in theaters and on television, in museums and magazines and newspapers. Sometimes they do it nostalgically, sometimes sadly, sometimes with painstaking seriousness. But no matter how they do it, they seem to obsess on their lost colonial role at a time when their place in the new Europe is being debated.

The most visible, literally and symbolically, of these colonial examinations are in four films. Jean-Jacques Annaud turned Marguerite Duras's 1984 novel "L'Amant" ("The Lover"), a barely veiled reminiscence of her own sexual coming of age in Indochina in the 1920s, into a steamy sexual, commercially successful film that will open in the United States this fall.

Then there is Regis Wargnier's ponderous Vietnam epic "Indochine," with Catherine Deneuve promening impassively through a sequence of lavish settings. The director Bertrand Tavernier and the historian Patrick Rotman collaborated on "La Guerre Sans Nom" ("The War Without a Name"), a four-hour documentary about the French struggle to retain control of Algeria, consisting largely of interviews with veterans of that conflict.

And Pierre Schoendoerffer made "Dien Bien Phu," a re-creation of the battle in 1954 that signaled the end of France's colonial ambitions in Indochina and that set the stage for U.S. involvement in Vietnam.

There is more: for months French television has been showing documentary films, most of them touching and riveting, of the Indochinese and Algerian conflicts. The Institute of the Arab World in Paris has had a photo exhibition on Algeria. Magazines like the weekly "L'Espresso" have had special issues devoted to Algeria, where the ceasefire was negotiated 30 years ago. There were even simultaneous productions of the Algerian-born Albert Camus's play "Caligula" in Paris. The two, at the Grand Comedie Francaise and the rather less grand Theatre des Mathurins, were widely different except in their evocations of unbridled power playing against a more or less explicit North African backdrop.

France's doomed effort to retain its imperial dreams dragged on for 16 years; in Indochina from 1946 to the brutal debacle of the siege of Dien Bien Phu in 1954, and in Algeria from 1954 to 1962. Unlike the Americans in Vietnam, the French fought their battles on territory they considered an integral part of their empire, in the case of Indochina, and of their actual country, in the case of Algeria.

Whereas the American Vietnam War was fought on television and, in terms of protest, on the streets at home,

the French battles were more clandestine. News from the front was tightly controlled, and it has been only through documentaries like Tavernier's that the French public has learned something approaching the truth, which included outright torture.

Schoendoerffer's fictional re-creation of the 57-day siege of the northern Vietnamese stronghold of Dien Bien Phu is both eerily beautiful and starkly sensationalistic. On the French side, 16,000 soldiers were involved in the battle; 4,000 lost their lives before the surrender, and 8,000 of the remaining 12,000 died from their wounds, from the privations of a long march or in Vietnamese confinement. An estimated 10,000 Vietnam, the forerunners of the

him of prettifying battle, so gorgeous are so many sequences. Yet, Schoendoerffer is not really distorting reality, given the ample attention he pays to misery and suffering and the true beauty of what he has to show. His film is a world away from swagging cartoons like Rambo, and may thus suffer in audience appeal. But it is a remarkable personal testimony.

For months, "Dien Bien Phu" played in only one Parisian theater, while "Indochine" and "L'Amant" were all over town. "Indochine" attests again to France's love affair with Deneuve, who is called upon to portray all manner of tormented emotions but who still looks like an impeccably attired tour guide to the exotic landscapes of Southeast Asia.

The real box-office hit this spring was Annaud's "L'Amant," and it's not hard to see why. Not since "Emmanuelle" in 1974, another sexual odyssey set in the steamy, dreamy Asian tropics, has a film so captivated the French public. Both depict young white girls discovering the thrill of sex amid exotic surroundings.

"L'Amant," which just opened in Britain and which has been largely dismissed there as prurient trash, arrived with the sort of controversies the French (and the English, whose tabloids stirred up the fuss) love so well. First, there was Duras, who has made films herself — protracted minimalist reveries, for the most part — and who early on dissociated herself from Annaud's effort. She even wrote a sequel to "L'Amant" — "L'Amant de la Chine du Nord" ("The Lover From North China"), which is basically a film scenario of the first novel and hence her answer to Annaud.

The other scandal involved the amount and quality of the sex in Annaud's film. The tabloids on both sides of the English Channel insisted that the sex was real. Jane March, the 18-year-old English actress who plays the lead (and who looks about 11) denied that she and Tony Leung, the lead actor, actually made love.

The sex in "L'Amant" may seem a little dogged and athletic, but the film has its moments.

There are genuinely atmospheric evocations of budding sensuality: the first time the lovers touch hands; their retreat, protected from a raucous thoroughfare only by lashed shades that reduce light to musky suggestion but still amid the clatter of everyday life, make the most intimate moments seem like public display. Yet, the film also evokes the horror of colonial plantation life and the ultimate intrusion of the French presence.

Whether all these movies and plays and exhibitions and articles will resolve anything about the French colonial experience remains to be seen. For every pained self-searcher like Tavernier or Schoendoerffer, there are others who, even under the guise of seriousness, prefer to wallow in nostalgia.



Elaine (Catherine Deneuve) and her lover (Vincent Perez) in "Indochine."

Vietcong, also died, but Schoendoerffer concentrates on the French side of the conflict, which he was a part. He was a survivor of the siege and the imprisonment, which lends his account an inescapable ring of truth. A volunteer photographer who arrived in Vietnam in 1951, he was parachuted into Dien Bien Phu three years later and was taken prisoner there. In his film, there is a fresh-faced young photographer rather like himself. The role is played by his son Ludovic.

"Dien Bien Phu" cost \$24 million, used props that are supposedly accurate in every historical detail and employed 26,000 extras, including French paratroop divisions and Vietnamese soldiers. The final sequence — in which one sees the Vietnamese enemy for the first time — with its endless lines of prisoners trudging through the awesome landscape, is astonishing. Indeed, the entire film is visually astonishing. If one didn't know Schoendoerffer's history, one could see

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